By Mr. TINKHAM: A bill (H. R. 8650) for the relief of Joseph Hovey; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8966. By Mr. BOYLAN: Resolutions adopted by the board of managers of the New York Produce Exchange, New York City, urging the enactment of an amendment to section 557 of the Tariff Act of 1930; to the Committee on Ways and Means.

8967. By Mr. BUCK: Memorial of the California Legislature, memorializing the Federal Relief Administrator to make available funds for the extension of Highway Route No. 163 through the Venice and Santa Monica Bay areas; to the Committee on Ways and Means.

8968. Also, memorial of the California Legislature, memorializing the President of the United States to make ample provisions for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of our American national life in the Federal works plan; to the Committee on Ways and Means.

8969. By Mr. CONNERY: Petition of the textile employees and citizens of the city of Lawrence, Mass., requesting that the processing tax on cotton be abolished, that foreign importations of textiles be limited, and that the President recommend, and Congress adopt, legislation which will preserve and protect the textile industry of New England; to the Committee on Ways and Means.

8970. By Mr. KRAMER: Resolution of the Senate and Assembly of California Legislature, relative to memorializing the Federal Relief Administrator to make available funds for the extension of Highway Route No. 163 through the Venice and Santa Monica Bay areas; to the Committee on Ways and Means.

8971. By Mr. COLDEN: Assembly Joint Resolution No. 63, adopted by the Assembly and the Senate of the California State Legislature, and submitted by the Honorable Frank F. Merriam, Governor of California, relative to memorializing the President of the United States to make ample provision for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of our American national life in the Federal works plan; to the Committee on Appropriations.

8972. By Mr. GOLDSBOROUGH: Petition of citizens of Easton, Md., opposing the reenactment of the Federal tax on gasoline; to the Committee on Ways and Means.

8973. By Mr. GOODWIN: Petition of the New York State Legislature, favoring the repeal of the charter of the North River Bridge Co. in Public Act 350, Sixty-seventh Congress, 1922; to the Committee on Interstate and Foreign Commerce.

8974. Also, petition of the New York State Legislature, favoring necessary legislation and cooperation of Public Works Administration for construction of freight tunnel between the States of New York and New Jersey; to the Committee on Interstate and Foreign Commerce.

8975. Also, petition of the New York State Legislature, urging legislation to make Columbus Day a national holiday; to the Committee on the Judiciary.

8976. Also, petition of the Legislature of the State of New York, urging legislation for the benefit of the milk and dairy industry; to the Committee on Agriculture.

8977. Also, petition of the Legislature of the State of New York, urging passage of the Rudd bill (H. R. 6); to the Committee on the Post Office and Post Roads.

8978. By Mr. KEE: Petition of M. T. Jones and other citizens of McDowell County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8979. Also, petition of J. D. Scyphers and other citizens of McDowell County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8980. By Mr. TRUAX: Petition of Joseph T. Schwartz, Fremont, Ohio, a stockholder of one of Ohio's leading oil-producing, manufacturing, and distributing companies, endorsing the views expressed by the American Petroleum Institute, in a petition to the Congress of the United States, in reference to legislation affecting the industry, as contained in Senate bill 2445 or similar proposals; to the Committee on Interstate and Foreign Commerce.

8981. Also, petition of the United Textile Workers of America, Providence, R. I., by their vice president, Horace A. Riviere, urging support of the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8982. Also, petition of the Ohio Farm Bureau Federation, Columbus, Ohio, by their president, Perry L. Green, urging that large amounts of the funds appropriated from the emergency relief funds for use on public highways be assigned to the development of the secondary or farm-to-market highways; to the Committee on Agriculture.

8983. Also, petition of the Alameda County Club of Adult Blind, Berkeley, Calif., by their president, Henry M. Bindt, urging support of House bill 6628, which provides employment for the blind; to the Committee on Labor.

8984. Also, petition of Frazier-Lemke Moratorium Club of Seneca County, Ohio, by their president, David C. Hilsinger, and secretary, E. G. Brosius, urging immediate passage of the Frazier-Lemke farm refinance bill; to the Committee on Agriculture.

8985. By the SPEAKER: Petition of the Slovak League of America, urging the enactment of House bill 8163; to the Committee on Immigration and Naturalization.

SENATE

TUESDAY, JUNE 25, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 24, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3806. An act to establish a commercial airport for the District of Columbia; and

H. R. 7765. An act to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a Code of Law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia; and for other purposes.

SUPPLEMENTAL ESTIMATES—LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 82)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Capitol firemen, for the fiscal year 1936, amounting to $31,150, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY COURT OF CLAIMS (S. DOC. NO. 83)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims, requiring an appropriation for their payment, amounting to $770,661.39, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 84)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, schedules of claims allowed by the General Accounting Office, covering judgments rendered by the District Court for the Southern District of New York against the collector of customs, amounting to $7,711.14, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 85)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, schedules of claims allowed by the General Accounting Office, amounting to $26,665.39, as covered by certificates of settlement under appropriations the balances of which have been carried to the surplus fund under the provisions of law, and for the services of the several departments and independent offices, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 80)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting, pursuant to law, estimates of appropriations submitted by the several executive departments and an independent office, to pay claims for damages to privately owned property, in the sum of $10,549.85, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PAYMENTS TO FEDERAL LAND BANKS ON ACCOUNT OF REDUCTION IN INTEREST RATES (S. DOC. NO. 79)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting a supplemental estimate of appropriation for the Treasury Department, fiscal year 1936, amounting to $18,000,000, for payments to Federal land banks on account of the reduction in the interest rate on mortgages, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF STATE (S. DOC. NO. 87)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting supplemental estimates of appropriations for the fiscal years 1935 and 1936, amounting to $367,440, and a draft of a proposed provision pertaining to existing appropriations for the Department of State, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

WASHINGTON-LINCOLN MEMORIAL-GETTYSBURG BOULEVARD COMMISSION (S. DOC. NO. 88)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Washington-Lincoln Memorial-Gettysburg Boulevard Commission, amounting to $10,000, to be immediately available and to remain available until expended, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PAYMENTS ON ACCOUNT OF APPRECIATION OF FOREIGN CURRENCIES (S. DOC. NO. 86)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation, fiscal year 1936, amounting to $1,478,652, for payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SALARIES AND EXPENSES, BUREAU OF INVESTIGATION, 1936 (S. DOC. NO. 89)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation for the Department of Justice, for salaries and expenses, Federal Bureau of Investigation, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

DEFICIENCY APPROPRIATION—NAVY DEPARTMENT (S. DOC. NO. 90)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a deficiency estimate of appropriation for the Navy Department for the fiscal year ended June 30, 1923, amounting to $10, together with draft of a proposed provision affecting an existing appropriation of the Navy Department, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ELECTRIC RATE SURVEY IN ARKANSAS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a compilation completed through the electric rate survey of the domestic and residential rates in effect in the State of Arkansas on January 1, 1935, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Administrator of the Federal Emergency Relief Administration, reporting, pursuant to law, that there is an accumulation of documents and papers on the files of the Administration which are not needed in the conduct of business and have no permanent value or historical interest and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Executive Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. GLASS and Mr. HALE members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Appropriations:

Assembly joint resolution relative to memorializing the President of the United States to make ample provision for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of our American national life in the Federal-works plan

Whereas the Congress of the United States has approved the appropriation of huge sums to be expended under the direction of the President of the United States in a comprehensive Federal works plan; and

Whereas the President of the United States has announced the tentative proportions of said sums as to their disbursement, which includes an amount allocated to so-called "white collar" workers; and

Whereas the State of California is taking steps and has made provisions for numerous enterprises which may be of general benefit because of their inspirational and educational value, such as fairs, expositions, conventions, industrial and housing exhibitions, and celebrations to mark high attainment in the world of construction and engineering; and

Whereas the State of California and several other of the sovereign States of our Union, are nearing the completion of certain such construction projects that bespeak the initiative and industry of our present generation, the accomplishment and achievement of which can be properly perpetuated as imperishable monuments, and fittingly recorded by employing the services of the white-collar workers: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the President of the United States is hereby memorialized to make ample provision for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of our American national life in the great Federal works plan by the employment of white-collar workers; and be it further

Resolved, That the Governor of the State of California is hereby requested, empowered and authorized to (1) transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and to the National Director of the Federal Work Relief Administration; and (2) designate and select the State department, official, agent, or director to initiate projects for the employment of white-collar workers to carry out the purpose of this resolution; and be it further

Resolved, That all departments of the State of California cooperate with the department designated by the Governor and aid

in developing an appreciation of culture, beauty, science, history, arts, and achievement.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Illinois, which was referred to the Committee on Finance:

Senate Joint Resolution 34

Whereas the amount of imports of foreign starches has increased more than threefold since 1927; and

Whereas said foreign starches are produced by coolie labor under low standards of living, are imported into the United States duty free, and are not subject to a processing tax; and

Whereas the producers of starches in the United States have maintained a high wage level for their employees which conduced toward the high standards of living that control in this country; and

Whereas American-produced starches are subject to a processing tax; and

Whereas by reason of such unfair competition the output of starches by American manufacturers has been materially and substantially reduced with its resultant depressing effects upon the American workingman and farmer so as to cause unemployment, hunger, the lowering of the American standard of living, and the undermining of the morale of the people of this country; and

Whereas House bill No. 6961, introduced at the current session of the Seventy-fourth Congress, tends to mitigate, extenuate, and palliate the foregoing evils: Therefore be it

Resolved by the senate of the fifty-ninth general assembly (the house of representatives concurring therein), That the Congress of the United States is respectfully memorialized and importuned to enact House bill No. 6961, now pending before it; and be it further

Resolved, That each Member of Congress from the State of Illinois is respectfully urged to lend his aid in support of this proposed legislation; and be it further

Resolved, That copies of this preamble and resolution be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Illinois.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a memorial from Alma Deas, dated at Miami, Fla., June 24, 1935, remonstrating against the confirmation, when and if nominated, of Fred Ewing to be postmaster at Hialeah, Fla., until investigation is made thereof, which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented a resolution adopted by the Board of Managers of the New York Produce Exchange, favoring the amendment of section 557 of the Tariff Act of 1930, so as to delete from that section the words "or 10 months in the case of grain", thus extending to grain the same period of 3 years now afforded to merchandise in general to remain in bonded warehouse and to be exported without import duty, which was referred to the Committee on Finance.

He also presented resolutions adopted by the First Sekuraner Dr. Braunstein Progressive Society and Kletzker Young Men's Benevolent Association, both of New York City, N. Y., favoring the enactment of House bill 8163, known as the "Kerr bill", pertaining to the immigration of aliens, which were referred to the Committee on Immigration.

He also presented a petition of several citizens of New Rochelle, N. Y., praying for the enactment of Senate bill 600, to amend sections 211, 245, and 312 of the Criminal Code, as amended, pertaining to the dissemination of contraceptive information and supplies, which was referred to the Committee on the Judiciary.

TAXATION OF THE FUR INDUSTRY

Mr. COPELAND presented a letter from N. Taylor Phillips, Esq., attorney and counselor at law, New York City, N. Y., submitting a suggested plan of method of taxing the fur industry, which, with the accompanying paper, was ordered to lie on the table and to be printed in the RECORD, as follows:

NEW YORK, *June 21, 1935.*

Hon. ROYAL S. COPELAND,
United States Senate Office Building, Washington, D. C.

MY DEAR SENATOR COPELAND: As you are of course aware, there is now being considered House Joint Resolution 324 to extend the so-called "nuisance taxes" for another year.

The furriers in this State are interested in recasting the fur tax in a manner which will produce more revenue for the Government, be more easily and positively collected, and with far less expense of collection.

There is under the present law an exemption on furs costing up to $75 which has been extremely injurious to the trade and has made tax evasion wide-spread to the injury of legitimate dealers.

The intention is now to tax all furs as they come into the hands of the dyers and dressers. As there are comparatively few of these in the country and all furs must be dyed and dressed, nothing can escape tax.

This plan, known as the "Canadian plan" has been in successful operation in Canada. I understand that Senator POPE will offer an amendment covering this matter when it reaches the floor of the Senate.

After reading the enclosed memorandum on this subject, if you feel that it justifies the foregoing statements in respect of this matter, I will very much appreciate any consideration and any assistance which you may find possible to extend.

With very kindest regards, believe me, as always,

Faithfully yours,

N. TAYLOR PHILLIPS.

SUBSTITUTE TAX PLAN

SECTION A—EXPLANATION OF THE PLAN—SUGGESTED METHOD OF TAXING THE FUR INDUSTRY

Which will produce the following results:

1. Greater gross income to the Government.
2. A very much smaller cost of collection to the Government.
3. Entire elimination of circumvention.

The fur industry has in it about 5,000 wholesale manufacturers; about 2,000 retail manufacturing furriers; 8,000 department stores and specialty shops which sell furs; an indeterminate number of so called "bedroom" or "garret" fur manufacturers; and, lastly, a great many thousands of cloak and suit manufacturers—in all, well over 20,000 sources to whom the Government should look for taxes in order to put everyone in the industry on an equal basis.

It is unnecessary to go over all of the evils of the present system of taxation. The Government is fully aware of the circumvention and evasion, and fully aware of the difficulty of getting any reasonable percentage of the money which is due it.

There is about $75,000,000 worth of raw furs consumed in the fur trade. In order to convert these furs into fur garments or fur trimmings these furs must be dressed and/or dyed. The dressing and dyeing industry amounts to about $15,000,000. These services are rendered by 180 companies. Ninety percent of all dressing and dyeing of furs is done within a radius of 50 miles from Forty-second Street and Broadway. Twenty-five percent of the total dressing and dyeing charges is billed by one company. There are 1,500 firms of all types which do business with dressers and dyers.

The total value of all dressed and dyed furs used in this country amounts to approximately $90,000,000; that is, $75,000,000 plus $15,000,000 for dressing and dyeing.

The foregoing information is presented so that the following plan can better be understood.

Every raw fur, whether it be domestic or an imported skin, whether it be a rabbit or a chinchilla, must pass through the hands of a fur dresser. As stated previously, there are 180 fur dressers and/or dyers. When an owner of raw skins, whether he be a fur merchant, a retailer or a fur manufacturer, or a cloak and suit manufacturer sends his skins to a dresser, it is proposed that he fill out a Government form which states the market value of the shipment. That form accompanies the shipment to the dresser and/or dyer. Upon completion of the work, the dresser sends to the Government, on a Government form, a statement indicating the value of the raw skins, plus the dressing charges. The Government then has in its files a direct check upon the 1,500 customers of the fur dressers and dyers, and knows exactly where its tax money is.

Now let us get back to the three statements which we made at the beginning of this memorandum:

1. GREATER GROSS INCOME TO THE GOVERNMENT

A tax of 3 percent on dressed and/or dyed furs would yield $2,700,000. Our belief is, however, that there will be a decided improvement in the entire fur business after the stifling effects of the present tax is removed. The present tax will yield very little more than $2,500,000. The proposed tax will yield nearer $3,000,000.

2. A VERY MUCH SMALLER COST OF COLLECTION TO THE GOVERNMENT

The Government will collect its tax from approximately 1,500 known sources, backed by actual records, with an accurate method of checking it. The cost of collection should be appreciably lower.

The Treasury Department, however, is better qualified to judge this phase of the subjet.

3. ENTIRE ELIMINATION OF CIRCUMVENTION

Circumvention of any nature is practically impossible. As stated before, the Government will collect its revenue from 1,500 known sources. We have given consideration to the possibility of undervaluation. There is no great possibility of anyone attempting to do this. There are four reasons why it would be foolhardy for an owner of the skins to engage in undervaluation. Let us assume that Mr. Owner sends a dresser $1,000 worth of muskrats. In order to reduce his taxes, he values these muskrats at $500. Here is where the four reasons come in:

1. If a fire takes place in the dresser's plant, he would get but $500.
2. If a robbery took place, he would get but $500.
3. If the dresser spoiled his merchandise—which is something that takes place every day in the week—he would get but $500.

4. And, lastly, the Government can always ask Mr. Owner to show a purchase bill.

It is suggested that this tax law state that it shall be necessary for the owner of the skins to fill out the raw-fur valuation form, and that the dresser and the dyer transmit to the Government filled-out Government forms which will indicate the value of the processed furs.

It is important to point out that this type of tax does not hit back at the farmer. The farmer does not send in the skins to be dressed and dyed. Of the 2,000,000 American farmer-trappers, not 200 send in their skins to the dresser and dyer. The farmer-trapper sends his skins primarily to so-called "receiving houses." These receiving houses sell the skins to various trade factors, and it is these trade factors who send in their skins to the dresser and dyer.

I feel that this point should be emphatically made, so that there can be no possible misapprehension. This type of tax is entirely a tax on the entire fur trade. Unlike the present tax, which is actually paid many times over by the farmer-trapper, the type of tax I am suggesting will do two things:

1. It will completely free the farmer-trapper from paying any fur tax whatsoever.

2. It will so improve conditions in the fur industry that the industry will be able to pay better prices for the pelts which the farmer-trapper sells.

Another point I want to emphasize in connection with the type of tax I am suggesting is that the tax is not levied against any one factor in the fur industry. To the contrary, it will be paid directly or indirectly by the entire fur trade in such a manner that the tax burden will be absolutely equally distributed. After all, the pelt is the basis of the fur industry. Everything revolves around the skin. Under the type of taxation which I am suggesting the tax becomes part and parcel of the price of the pelt. Therefore everybody who handles the pelt from the time it is sent in to be dressed and dyed up until the time the finished garment is sold by the retail store will share in the tax burden. This would seem to be the goal to be aimed for, inasmuch as the tax is designed to be a tax on furs and not on any one branch of the fur industry.

IMPORTED DRESSED AND DYED FURS

Customs officials would simply charge 3 percent at the point of entry.

SECTION B—PROPOSED SUBSTITUTE TAX ON THE PRIVILEGE OF DRESSING OR DYEING FURS

SECTION 1—IMPOSITION

There are hereby imposed upon the dressing or dyeing of furs on or after the date of the enactment of this act the following taxes:

1. Upon the dressing of raw furs a tax equivalent to 3 percent of the value of the furs immediately before dressing plus a fair charge for their dressing, to be paid by the owner of the furs whether they are dressed by him or by another on his behalf.

2. Upon the dyeing of dressed furs a tax equivalent to 3 percent of a fair charge for their dyeing, to be paid by the owner of the furs whether they are dyed by him or by another on his behalf.

(NOTE.—The tax is presented in a double aspect, because furs are not always dyed at the time they are dressed. The question of what should be done in the case of furs which are dressed and dyed before importation into the United States is left open.)

The provisions of this act are not to apply to trappers or other individuals who dress furs which they have trapped for their personal use.

SECTION 2—RETURNS

Every person liable for a tax under this act shall make monthly returns under oath in duplicate and pay such taxes to the collector for the district in which is located his principal place of business, or, if he has no principal place of business in the United States, then to the collector at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. The Commissioner may extend the time for making returns and paying the taxes under this act, under such rules and regulations as he shall prescribe, with the approval of the Secretary, but no such extension shall be for more than 6 months.

(NOTE.—Since no cash may be available to the owner of furs at the time they are dressed or dyed, the Commissioner should have broad power to extend the time for payment of the tax in necessitous cases.)

SECTION 3—DECLARATION OF VALUE AND REPORTS

In every case where raw furs are dressed by a person other than the owner thereof, the owner shall by a statement in writing, to be delivered to the dresser before the furs are dressed, declare the fair value of the raw furs. Every person dressing furs of which he is not the owner shall make monthly reports with respect to the furs dressed by him each month, including the value of the raw furs as estimated by the dresser, the value of the raw furs as declared by the owner, the charge made or to be made for dressing, and, if the furs are also dyed, the charge made or to be made for dyeing. These monthly reports shall contain such additional information and shall be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

SECTION 4—PAYMENT OF TAXES

The taxes imposed by this act shall, without assessment by the Commissioner or notice from the collector, be due and payable to the collector at the time fixed for filing the return. If the tax is not paid when due there shall be added as part of the tax interest at the rate of one-half percent a month from the time the tax became due until paid.

SECTION 5—REGULATIONS

The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this act.

SECTION 6—CREDITS AND REFUNDS

Credit or refund of any overpayment of tax imposed by this act shall be allowed or made only upon compliance with regulations prescribed by the Commissioner with the approval of the Secretary. In no case shall interest be allowed with respect to any amount of tax under this act credited or refunded.

SECTION 7—APPLICABILITY OF ADMINISTRATIVE PROVISIONS

All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the Revenue Act of 1926, shall, insofar as they may be applied and are not inconsistent with this act, be applicable in respect of the taxes imposed by this act.

SECTION 8—DEFINITIONS

When used in this act—

(1) The term "Secretary" means the Secretary of the Treasury.

(2) The term "Commissioner" means the Commissioner of Internal Revenue.

(3) The term "collector" means collector of internal revenue.

SECTION 9—APPLICABILITY OF PRIOR TAX

The taxes imposed by this act shall be in lieu of the tax imposed by section 604 of the Revenue Act of 1932, which shall not apply to articles sold by the manufacturer, producer, or importer after the date of the enactment of this act.

SECTION C—LEGAL SUPPORT FOR THE PROPOSED BILL—ITS CONSTITUTIONALITY

There can be no question that such a tax would not be a direct tax on property or its ownership and thus subject to the rule of apportionment, but would be a valid excise tax on the particular privilege of dressing or dyeing furs, even though there may be some doubt whether it would be excisable to the dresser or dyer who did not own the furs. But note the proposal is to make the owner of the furs the taxpayer.

Bromley v. *McCaughn* (280 U. S. 124) and the authorities cited by Justice Stone in that case establish the validity of the proposed tax. As Justice Stone said in the Bromley case, "While taxes levied upon or collected from persons because of their general ownership of property may be taken to be direct, this Court has consistently held, almost from the foundation of the Government, that a tax imposed upon a particular use of property or the exercise of a single power of property incidental to ownership is an excise which need not be apportioned." Since taxes on the right to give property (*Bromley* v. *McCaughn*, supra) to dispose of property by legacy (*Knowlton* v. *Moore*, 178 U. S. 41), to manufacture and sell colored oleomargarine (*McCray* v. *U. S.*, 195 U. S. 27), to sell grain upon a commodity exchange (*Nicol* v. *Ames*, 173 U. S. 509), to sell shares of stock (*Thomas* v. *U. S.*, 192 U. S. 363), to use foreign-built yachts (*Billings* v. *U. S.*, 232 U. S. 261), to use carriages (*Hylton* v. *U. S.*, 3 Dall. 171), to use certain manufactured articles (sec. 622, Revenue Act of 1932), to process agricultural commodities (sec. 9, Agricultural Adjustment Act) are valid excises, certainly there can be no doubt of the validity of an excise tax imposed upon the owner of furs for the privilege of dressing and dyeing them or having them dressed and dyed for him by another.

UNCONSTITUTIONALITY OF TARIFF BARGAINING ACT

Mr. VANDENBERG. Mr. President, if the Finance Committee is to take up the general question of tariff and tax legislation, and open the general field, I am expressing the hope that some attention may be given to Senate Resolution 145, which calls attention to the alleged unconstitutionality of the Tariff Bargaining Act, and I submit a letter from Judge Thomas D. Thacher, ex-Solicitor General of the United States, in which the following sentence occurs in connection with his very well-sustained opinion:

> Upon the principles laid down in the oil and poultry cases the act clearly appears to be an unconstitutional delegation of legislative power to the President.

I ask that this letter be referred to the Finance Committee and also that it be printed in the RECORD.

There being no objection the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SIMPSON THACHER & BARTLETT,
New York, June 22, 1935.

HON. ARTHUR H. VANDENBERG,
United States Senate, Washington, D. C.

MY DEAR SENATOR VANDENBERG: I have the honor to acknowledge your letter of June 10, 1935, in which you have requested an expression of my views upon the resolution which you introduced in the Senate declaring it to be the sense of the Senate that the tariff-bargaining law is clearly unconstitutional. The law to which

your resolution refers is entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934 (Public, No. 316, 73d Cong.). The President at a recent press conference has declared that the law is clearly constitutional, and the Secretary of State has made a public statement to the effect that no one will seriously question the constitutionality of the law. These expressions of opinion from such authoritative sources are entitled to great respect, and I have delayed answering your letter in order to give you a considered opinion.

The act of June 12, 1934, adds to the Tariff Act of 1930 the following:

"SEC. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among the various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

"(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

"(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, or for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part."

The act also provides:

"SEC. 4. Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given, in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate."

The act contains other provisions not pertinent to the question of constitutionality.

The question presented is whether Congress has delegated to the President legislative power without adequately providing standards to guide and control his unfettered discretion. In considering this question it is important to bear in mind the nature of the legislative power which Congress has attempted to delegate to the President. The legislative power to lay duties, although embraced by the taxing power, may nevertheless be exercised as a regulation of foreign commerce. It may not be questioned that Congress may exercise this power by laying duties to encourage the industries of the United States, and to this end may determine what articles may be imported into this country and the terms under which such importation is permitted. This power is exclusive and plenary, and Congress may, and undoubtedly does, in its tariff legislation consider the conditions of foreign trade in all its aspects and effects, including its effects upon the commercial and industrial welfare of the United States. These principles, long the subject of political controversy, were finally settled by the Supreme Court in *Board of Trustees* v. *United States* (289 U. S. 48).

The act of June 12, 1934, was enacted in the exercise of this plenary power of Congress to regulate foreign commerce. This is its declared purpose, to be accomplished by expanding foreign markets for the products of the United States and corresponding market opportunities for foreign products in the United States. To this end the President is authorized to enter into foreign trade agreements with foreign governments or instrumentalities thereof and, having made such agreements, by proclamation to increase or decrease existing duties or other import restrictions as are required or appropriate to carry out any such agreement. The duties and other import restrictions proclaimed by the President apply to articles of growth, produce, and manufacture of all foreign countries, not merely of those countries with which such agreements are made. Having proclaimed such duties and restrictions, the President may immediately suspend their application to the products of any country "because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section." The only standard prescribed for the exercise of these plenary legislative powers thus delegated to the President is that he must find as a fact, before entering into any trade agreement or proclaiming any change in duties or import restrictions, that the existing duties or restrictions of the United States or of any foreign country "are unduly burdening and restricting the foreign trade of the United States and that the declared purpose of the statute will be promoted" by the proposed trade agreement or the proclaimed change in duties or other import restrictions. It is further provided that no proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists.

In *Panama Refining Co.* v. *Ryan* (293 U. S. 388) and in *A. L. Schechter Poultry Corp'n* v. *United States* (55 Sup. Ct. 837) the Supreme Court of the United States has recently declared section 9 and section 3 of the National Industrial Recovery Act invalid because of the unconstitutional delegation of legislative power to the President; and the Court has twice declared:

"Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade or industry."

In the poultry case it was held that a finding that the general purposes of the statute would be promoted by the President's exercise of legislative power was not a finding of fact but was a mere expression of opinion, leaving him free to exercise his discretion as he saw fit. This principle applies to section 350 (a) of the Tariff Act of 1930 as amended.

The only other condition precedent to Presidential action is that he shall find that any existing duties or other import restrictions of the United States or of any foreign country are unduly burdening and restricting the foreign trade of the United States. The statute does not relate the agreement to be made to particular duties or restrictions; nor does it relate the duties and restrictions to be proclaimed to existing duties and restrictions found to be unduly burdensome and restrictive. In the first instance it relates the duties and restrictions to be proclaimed to trade agreements which have been made with foreign countries by the President, but these duties and restrictions are applicable to imports from all countries unless the President suspends their application, and this he may do because of acts or policies of any country which tend to defeat the general purposes of the act. In thus suspending the duties and restrictions with relation to a particular country the President's discretion is absolutely unfettered and uncontrolled except by his own opinion as to what "may be needed or advisable for the rehabilitation and expansion of trade or industry" (*Panama Refining Co.* v. *Ryan*, supra).

Upon the principles laid down in the oil and poultry cases the act clearly appears to be an unconstitutional delegation of legislative power to the President. It is necessary, however, to consider legislation of Congress which has in the past delegated to the President the power to suspend, increase, and decrease customs duties. A summary of this legislation appears in *Norwegian Nitrogen Co.* v. *United States* (288 U. S. 294, at pp. 308–309). Such legislation was under consideration by the Supreme Court in *Hampton & Co.* v. *United States* (276 U. S. 394) and *Field* v. *Clark* (143 U. S. 649), and while in each of these cases the particular delegation of power was sustained as constitutional, the principles upon which such delegations of power must be tested were fully developed and defined by the Court, and these principles controlled decision in the oil and poultry cases.

The principles were recently applied by former Attorney General William D. Mitchell in an opinion rendered to the President under date of February 14, 1933 (77 Opinions of Attorney General, 70), in holding that a section of a bill passed by the Philippine Legislature was invalid as an unconstitutional delegation of legislative power. The bill (H. 2516, 2d sess. of the 9th Philippine Legislature) contained the following provision:

"SEC. 6. The Governor General, upon recommendation of the Philippine Tariff Commission which may be created by law, or by the Secretary of Finance, in case no such commission is created, whenever in his judgment conditions in the Philippine Islands warrant it, may, from time to time, by proclamation, reduce or reincrease the duty on each or all of the articles herein enumerated: *Provided*, That no reduction shall be made to less than 50 percent of, nor reincrease shall be made to more than, the rates imposed by the Philippine Tariff Act of 1909, as amended by this and other acts."

Characterizing this section, the Attorney General said:

"It attempts to vest in the Governor General discretion to reduce or increase duties 'whenever in his judgment conditions in the Philippine Islands warrant it.' It places limits on the amount of the reductions or increases, but within those limits it attempts to confer upon him absolute discretion. The fault with this provision of the bill is that it prescribes no rule or principle on which the Governor General may act. It does not confine his discretion to prescribed matters of fact or to the weight of evidence. The applicable principles have been stated in many decisions of the Supreme Court of the United States."

Analyzing the decisions of the Supreme Court in *Field* v. *Clark*, supra, and *Hampton & Co.* v. *United States*, supra, the Attorney General pointed out that in the former case the tariff act provided that if the President was satisfied that the government of

any other country imposed duties upon agricultural or other products of the United States which "he may deem to be reciprocally unequal or unreasonable" he should have the power to suspend the provisions of the act relating to the free induction of certain commodities into the United States, in which case certain tariffs prescribed in the act of Congress should become applicable. The President's action, the Court found, was to be determined upon the basis of findings with respect to the commercial regulations of other countries, and nothing involving the expediency of the legislation was left to his determination. In other words, he was the mere agent of the lawmaking department, to ascertain the event upon which its expressed will was to take effect. The Attorney General then pointed out that in *Hampton & Co.* v. *United States*, supra, the President's action was made determinable by his findings on the question whether the duties fixed in the act equalized the differences in cost of production in the United States and the principal competing country with respect to a given article. The opinion of the Attorney General continued:

"In both these cases the Court sustained the validity of the statutes under consideration, but the principles on which those decisions were based point clearly to the invalidity of section 6 of the act of the Philippine Legislature above quoted. There is a wide difference between the flexible tariff provisions in the Tariff Act of 1922 and section 6 of this act. The Philippine Legislature has not laid down any principle on which the Governor General shall act. It has not confined itself to delegating to him the power to investigate and determine facts on which the application of the law is to depend. Giving to the President power to adjust our tariff duties to equalize the differences he may find to exist between the costs of production at home and abroad is quite different from the attempt of the Philippine Legislature to give to the Governor General power to change the Philippine tariffs without any guide as to his action other than that found in the phrase 'whenever in his judgment conditions in the Philippine Islands warrant it.' It is evident that the Philippine Legislature has gone too far in its attempt to confer authority on the Governor General to change tariff rates and that section 6 of this bill is in conflict with the fundamental provisions of the Organic Act (39 Stat. 545), and if approved by you and placed upon the statute books would not constitute a valid enactment."

Under the provisions of section 350 (a) the President's authority, through the exercise of his tariff-bargaining power with all the nations of the world, to revise duties and restrictions upon imports within the 50-percent limit prescribed by the statute appears to be absolutely unfettered and uncontrolled by any standard considered and adopted by Congress in the exercise of its power to prescribe the legislative policy which must guide executive action. The phrases "unduly burdening and restricting the foreign trade of the United States"; "that the purposes above declared will be promoted", and "because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section", do not in any sense bind or control the exercise of the power attempted to be delegated by this statute. The modification of tariff schedules and restrictive provisions need not be related to the action of any country, to the condition of any particular trade or industry, to the discriminatory or retaliatory legislation of any particular country, or to any particular facts, except the making of a trade agreement with a single country. Indeed, if the President finds it desirable to expand our foreign markets through concessions granted by a foreign government and to open our domestic markets by concessions given in exchange, he may revise the tariff schedules without regard to costs of production here and abroad or the resulting effects upon particular industries in this country. No such unfettered delegation of legislative powers appears in any of the tariff acts, and upon the principles repeatedly declared by the Supreme Court of the United States, I am of the opinion that the statute is unconstitutional.

I have not considered the statute in its relation to the treaty-making power. Reciprocal tariff arrangements were made by the President, by means of an exchange of diplomatic notes, after the enactment of the McKinley Tariff Act of 1890, but I am not familiar with this correspondence. Furthermore, after the passage of the Dingley Act of 1897 the President negotiated and promulgated a number of reciprocity agreements. I am not familiar with these agreements, and do not know whether or not they were approved, either by Congress or by the Senate.

Faithfully yours,

THOMAS D. THACHER.

PREVENTION OF LYNCHING

Mr. BARBOUR. Mr. President, I present and ask unanimous consent to have printed in full in the RECORD a telegram I have received from Mr. Robert H. Wheeler, vice president of the Newark (N. J.) Branch of the National Association for the Advancement of Colored People.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

NEWARK, N. J., *June 24, 1935.*

UNITED STATES SENATE,
Capitol, Washington, D. C.:

May we respectfully state that the fact cannot be ignored that it is imperative that the Costigan-Wagner antilynching bill be passed before adjournment? More than 73,000,000 of our citizens have, either directly or indirectly, requested the Congress of the United States to pass a Federal law to curb lynching and mob rule. In order that the pages of history yet to be written may not record this country as a barbarian nation, may we implore you not to delay the passage of such important legislation?

Respectfully,

EXECUTIVE BOARD NEWARK BRANCH, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
ROBERT H. WHEELER, *Vice President.*

REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 2704) for the relief of Clayton M. Thomas, reported it with an amendment and submitted a report (No. 956) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2877) to reimpose and extend the trust period on lands reserved for the Pala Band of Mission Indians, California, reported it without amendment and submitted a report (No. 957) thereon.

Mr. SHIPSTEAD, from the Committee on Interstate Commerce, submitted minority views to accompany the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, heretofore reported from that committee with amendments, which was ordered to be printed as part 2 of Report No. 925.

INSPECTION OF NAVY YARDS, ETC.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the resolution (S. Res. 161) authorizing the inspection of United States navy yards, air stations, and other naval activities, reported it without amendment, submitted a report (No. 955) thereon, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LOGAN:

A bill (S. 3145) authorizing the President of the United States to appoint Sgt. Samuel Woodfill a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 3146) to provide for the use of the U. S. S. *Oregon* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

By Mr. WALSH:

A bill (S. 3147) for the relief of the Clark Dredging Co.; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 3148) for the relief of the heirs of Lewis G. Norton; to the Committee on Public Lands and Surveys.

By Mr. FLETCHER:

A bill (S. 3149) providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.; to the Committee on the Judiciary.

By Mr. WAGNER:

A bill (S. 3150) to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes; to the Committee on Finance.

A bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act; to the Committee on Interstate Commerce.

(Mr. WAGNER also introduced Senate bill 3152, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

COMPENSATION TO EMPLOYEES OF INTERSTATE CARRIERS FOR DISABILITY OR DEATH

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill for reference to the Committee on Interstate Commerce. I ask also, so that I may not take the time of the Senate at this juncture, that there be printed as a part of my remarks in introducing the bill an explanatory statement of the measure.

The VICE PRESIDENT. Without objection, the bill will be received and referred, as requested, and the Senator's statement will be printed in the RECORD.

The bill (S. 3152) to provide compensation for disability or death resulting from injury to employees of interstate carriers, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

The statement by Mr. WAGNER is as follows:

This legislation is introduced for the purpose of extending the principle of workmen's compensation for industrial accidents to the most important group of workers remaining without this modern protection—employees of interstate commerce carriers.

In 1912 a congressional committee, after 2 years' exhaustive investigation, reported voluminously in favor of a Federal workmen's compensation law for employees injured in interstate commerce. The bill was passed by both Houses of Congress, but because of differing provisions which were not adjusted, failed to become law.

Meanwhile, State after State has discarded the outgrown system of employers' liability suits for damages, and Congress has adopted three workmen's compensation laws: In 1916 for civilian employees of the Government, in 1927 for longshoremen and harbor workers, and in 1928 for private employees in the District of Columbia. Workmen's compensation, which is now adopted in this country in all but two States, has been demonstrated to be for the best interests of workers, employers, and the whole community. But interstate commerce employees are still subject to the antiquated system of employers' liability under the Federal act of 1908.

The late Chief Justice Taft, in an address before the American Law Institute on May 9, 1929, said:

"A good many years ago it was attempted in Congress to provide a workmen's compensation act, or what was equivalent to it, with reference to that great body of men whose lives are constantly at stake in the operation of the transportation systems of this country. We in the Supreme Court, and all judges who have to do with the active conduct of litigation, realize the amount of time that is taken up in litigation of that kind, and also realize how much has been saved to the courts of the country by workmen's compensation acts. But we have no such system in the Federal courts. We need it.

"I hope that in the study of negligence, which I understand is going on, you may stop for a moment and look over to the kindred subject of how insurance against injury, disaster, and death of railroad employees can be carried on under the Constitution by Congress. If you will look back, as we can, to the years since those Federal bills were initiated and think how much time might have been saved and how much real good could have been done by introducing what is practically a system of general insurance to save lives and limbs—and women and widows by means of sustenance after the death of the breadwinner—I think you will feel stirred to a movement of that sort."

On May 6, 1935, the United States Supreme Court, in the majority opinion in the case of *Railroad Retirement Board* v. *The Alton Railroad Co.*, invalidating the Railroad Retirement Act, said:

"Every carrier owes to its employees certain duties the disregard of which render it liable at common law in an action sounding in tort. Each State has developed or adopted, as part of its jurisprudence, rules as to the employer's liability in particular circumstances. These are not the same in all the States. In the absence of a rule applicable to all engaged in interstate transportation, the right of recovery for injury or death of an employee may vary, depending upon the applicable State law.

"That Congress may, under the commerce power, prescribe a uniform rule of liability and a remedy uniformly available to all those so engaged is not open to doubt. The considerations upon which we have sustained compulsory workmen's compensation laws passed by the States in the sphere where their jurisdiction is exclusive apply with equal force in any sphere wherein Congress has been granted paramount authority. Such authority it may assert whenever its exercise is appropriate to the purpose of the grant.

"A case in point is the Longshoremen's and Harbor Workers' Compensation Act, passed pursuant to the delegation of admiralty jurisdiction to the United States. Modern industry, and this is particularly true of railroads, involves instrumentalities, tasks, and dangers unknown when the doctrines of the common law as to negligence were developing. The resultant injuries to employees, impossible of prevention by the utmost care, may well demand new and different redress than that afforded in the past.

"In dealing with the situation it is permissible to substitute a new remedy for the common-law right of action; to deprive the employer of common-law defenses and substitute a fixed and reasonable compensation computed to the degree of injury; to replace uncertainty and protracted litigation with certainty and celerity of payment; to eliminate waste and to make the rule of compensation uniform throughout the field of interstate transportation, in contrast with inconsistent local systems.

"By the very certainty that compensation must be paid for every injury such legislation promotes and encourages precaution on the part of the employer against accident and tends to make transportation safer and more efficient. The power to prescribe a uniform rule for the transportation industry throughout the country justified the modification of common-law rules by the safety-appliance acts applicable to interstate carriers and would serve to sustain compensation acts of a broader scope, like those in force in many States. The collateral fact that such a law may produce contentment among employees, an object which as a separate and independent matter is wholly beyond the power of Congress—would not, of course, render the legislation unconstitutional. It is beside the point that compensation would have to be paid despite the fact that the carrier has performed its contract with its employee and has paid the agreed wages. Liability in tort is imposed without regard to such considerations; and in view of the risks of modern industry the substituted liability for compensation likewise disregards them.

"Workmen's compensation laws deal with existing rights and liabilities by readjusting old benefits and burdens incident to the relation of employer and employee. Before their adoption the employer was bound to provide a fund to answer the lawful claims of his employees; the change is merely in the required disbursement of that fund in consequence of the recognition that the industry should compensate for injuries occurring with or without fault."

From the general welfare angle this problem has been discussed from time to time during the 23 years since Congress first attempted to pass legislation on the subject. At a joint meeting of representatives of railway operators and railway unions at Chicago in January 1932 steps were taken looking toward the earnest consideration of action by Congress on a Federal workmen's compensation law for employees of interstate commerce carriers. Looking toward more adequately meeting the hazard of industrial accidents, the committee on economic security, in its report to the President on January 15 of this year, recommended that an accident compensation act for railroad employees be adopted.

The present bill was first introduced by me as S. 4927 in the first session of the Seventy-second Congress on June 23, 1932, and was reintroduced as S. 3630 in the second session of the Seventy-third Congress on May 17, 1934, and again as S. 2793 on May 7, 1935. Following each introduction, it has been widely distributed for criticism and suggestions among experienced administrators of compensation laws and among the representative organizations of the two principal interests to be affected by this legislation. The bill in its present form embodies several improvements suggested by the comments thus received.

The bill appropriately follows somewhat closely the existing well-tested Federal Longshoremen's Act of 1927, which was designed to meet a similar administrative problem where private employees under Federal jurisdiction are scattered throughout the country. The bill applies to workers employed by carriers of interstate commerce, including railroads, express and sleeping-car companies, and any person operating a vehicle or airplane on a regular route. It provides for all necessary medical care and, after a 3-day noncompensated waiting period, for cash compensation based on two-thirds of wages.

The proposed act is to be administered by a representative commission of three members appointed by the President with the advice and consent of the Senate. Deputy commissioners in important centers, under the unifying supervision of the commission, will do the actual day-by-day work of hearing claims and awarding compensation. Appeals on questions of law from the decision of the deputy will be taken to the Federal district court, as under the Longshoremen's Compensation Act adopted by Congress in 1927.

Special provision is made for accident-prevention work and for the rehabilitation of disabled workers. Employers are, of course, required to insure the payment of compensation, and administrative expenses are assessed upon insurance carriers, including self-insurers, as is done in New York and a number of other States, including Delaware, Georgia, Kentucky, Maryland, Missouri, New Jersey, North Carolina, Texas, and Virginia. The inadequacies and evils of the existing system of employers' liability for interstate-commerce workers indicate the necessity for modern legislation to meet present-day needs which will effectively and adequately protect all interstate-commerce carriers' employees who are injured in the course of their employment. Such legislation can be worked out to the advantage of employers and employees and will at the same time relieve the public of the various expenses growing out of litigation.

EXTENSION OF TEMPORARY DEPOSIT INSURANCE PLAN

Mr. GLASS introduced a joint resolution (S. J. Res. 152) to extend for 1 year the temporary plan for deposit insurance provided for by section 12B of the Federal Reserve Act, as amended, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. GLASS subsequently, from the Committee on Banking and Currency, reported Senate Joint Resolution 152 without amendment.

HOUSE BILL REFERRED

The bill (H. R. 3806) to establish a commercial airport for the District of Columbia was read twice by its title and referred to the Committee on the District of Columbia.

EXTENSION OF CERTAIN TAXES—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 324) to provide revenue, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF COPYRIGHT ACT

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (S. 3047) to amend the act entitled "An act to amend and consolidate the acts respecting copyright", approved March 4, 1909, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. BLACK submitted an amendment intended to be proposed by him to House bill 8554, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, after line 20, to insert a new paragraph as follows:

Cemeterial expenses, War Department 1935: For the procurement of 10,000 additional headstones of the same kind as those now being purchased (but over and above the appropriation in the War Department appropriation bill of 1936, nonmilitary activities, which will permit the purchase of 25,906 headstones in the next ensuing fiscal year), there is hereby appropriated and made available until expended, the sum of $90,300.

"A PLANNED ECONOMY FOR WALL STREET" (S. DOC. NO. 81)

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed as a public document an article by Mr. Charles H. Meyer, of the New York Bar, entitled "A Planned Economy for Wall Street." Mr. Meyer discusses very clearly some features of the Securities Act of 1933 and the Securities Exchange Act of 1934, and other legislation. The article is pertinent and enlightening, and ably presents the matters discussed.

The VICE PRESIDENT. Without objection, it is so ordered.

PENSIONS FOR NEEDY BLIND PERSONS IN THE DISTRICT—RECONSIDERATION

Mr. KING. Mr. President, yesterday the bill (H. R. 5711) to provide pensions for needy blind persons of the District of Columbia and authorizing appropriations therefore was passed. I think it has not as yet been messaged to the House. I have discovered—and my attention was brought to the matter by the author of the bill, a Representative from the State of Pennsylvania—that in view of the social-security bill which was passed some days ago an amendment will be necessary. Therefore I move to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the vote by which the bill referred to by him was passed be reconsidered.

The motion was agreed to.

ORDER FOR CONSIDERATION OF CALENDAR

Mr. ROBINSON. I ask unanimous consent that the Senate proceed with the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, with the request should be coupled a further request, in accordance with the consent granted last evening, to commence the consideration of the calendar with Order of Business No. 839.

The VICE PRESIDENT. The Chair is advised that such an agreement was entered into last evening, to begin the consideration of the calendar where it was left off yesterday.

Mr. ROBINSON. The agreement was that when we next proceeded with the call of the calendar for unobjected bills the call should commence with the number where we left off yesterday.

Mr. McNARY. That is correct.

Mr. ROBINSON. Now I ask that we proceed with the call of the calendar under that order.

Mr. McNARY. That is just what I was suggesting.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first bill in order on the calendar.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Pope
Ashurst	Copeland	Logan	Radcliffe
Austin	Costigan	Lonergan	Reynolds
Bachman	Dickinson	Long	Robinson
Bailey	Dieterich	McAdoo	Russell
Bankhead	Donahey	McCarran	Schall
Barbour	Duffy	McGill	Schwellenbach
Barkley	Fletcher	McKellar	Sheppard
Bilbo	Frazier	McNary	Shipstead
Black	George	Maloney	Smith
Bone	Gerry	Metcalf	Steiwer
Borah	Glass	Minton	Thomas, Okla.
Brown	Gore	Moore	Townsend
Bulkley	Guffey	Murphy	Trammell
Bulow	Hale	Murray	Truman
Burke	Harrison	Neely	Tydings
Byrd	Hatch	Norbeck	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Caraway	Holt	Nye	Wagner
Chavez	Johnson	O'Mahoney	Walsh
Clark	Keyes	Overton	Wheeler
Connally	King	Pittman	White

Mr. ROBINSON. I desire to announce that the Senator from Utah [Mr. THOMAS] is detained from the Senate on important public business.

Mr. DIETERICH. I wish to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is detained by important public business in Illinois.

Mr. McNARY. I desire to announce that the senior Senator from Kansas [Mr. CAPPER] has been called from the city because of the death of one of his associates. I ask that this announcement stand for the day.

Mr. VANDENBERG. I wish to announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

Mr. AUSTIN. I wish to announce that the Senator from Wyoming [Mr. CAREY], the Senator from Pennsylvania [Mr. DAVIS], my colleague the junior Senator from Vermont [Mr. GIBSON], and the Senator from Delaware [Mr. HASTINGS] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on June 24, 1935, the President had approved and signed the following acts:

S. 43. An act for the relief of Lucile A. Abbey;

S. 144. An act for the relief of Auston L. Tierney;

S. 391. An act for the relief of Ralph E. Woolley;

S. 546. An act for the relief of Miles Thomas Barrett;

S. 547. An act for the relief of Alfred W. Kliefoth;

S. 799. An act for the relief of Yvonne Hale;

S. 885. An act to correct the naval record of Joseph Horace Albion Normandin;

S. 1121. An act for the relief of Isidor Greenspan;

S. 1180. An act to amend section 4865 of the Revised Statutes as amended;

S. 1325. An act for the relief of Dino Carbonell;

S. 1363. An act for the relief of John A. Jumer;

S. 1392. An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad;

S. 1585. An act for the relief of Stefano Talanco and Edith Talanco;

S. 1611. An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.;

S. 1809. An act for the relief of Germaine M. Finley;

S. 1863. An act for the relief of Trifune Korac;

S. 2218. An act for the relief of Elsie Segar;

S. 2278. An act authorizing the construction of buildings for the United States representative in the Philippine Islands;

S. 2371. An act for the relief of Margaret G. Baldwin; and

S. 2508. An act to authorize the naturalization of certain resident alien World War veterans.

EXTENSION OF TEMPORARY DEPOSIT INSURANCE PLAN

Mr. ROBINSON. Mr. President, at the time I asked for the unanimous-consent order under which the Senate is now proceeding the Senator from Virginia [Mr. GLASS] was about to submit a request pertaining to Senate Joint Resolution 152 to extend for 1 year the temporary plan for deposit insurance provided for by section 12B of the Federal Reserve Act, as amended. I should like to ask unanimous consent that the Senator from Virginia may present that joint resolution and have it now considered.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that the Senator from Virginia be permitted to submit a joint resolution and that it be taken up for consideration at the present time. Is there objection?

Mr. McNARY. Mr. President, I inquire has the Banking and Currency Committee passed on the joint resolution unanimously?

Mr. GLASS. It is reported by the Committee on Banking and Currency.

Mr. McNARY. Has it been considered at length?

Mr. GLASS. It has been considered both by the subcommittee which has Federal Reserve legislation in charge and by the full committee, and by both I was authorized to report the joint resolution to the Senate and ask for immediate action upon it.

Mr. McNARY. When does the act expire?

Mr. GLASS. It expires next Saturday night.

Mr. McNARY. That is the emergent situation which it is desired to meet by the passage of the joint resolution?

Mr. GLASS. That is the emergency which it is desired to meet by the passage of the joint resolution.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. I object.

The VICE PRESIDENT. Objection is made.

Mr. GLASS subsequently said: Mr. President, I renew my request for unanimous consent for the consideration of the joint resolution reported from the Banking and Currency Committee to extend for 1 year the temporary plan for deposit insurance provided for by section 12B of the Federal Reserve Act, as amended.

The PRESIDING OFFICER (Mr. POPE in the chair). Is there objection?

Mr. McNARY. Mr. President, earlier in the day, when the matter was brought to the attention of the Senate, the Senator from Wisconsin [Mr. LA FOLLETTE] registered objection.

Mr. LA FOLLETTE. Mr. President, will the Senator from Oregon yield to permit me to make a brief statement?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. McNARY. I do.

Mr. LA FOLLETTE. I came into the Chamber just as the Senator from Virginia was asking unanimous consent for the consideration of the joint resolution postponing for a full year the taking effect of the existing statute regarding the guaranty of bank deposits. I had strongly the feeling that to continue the suspension of the operation of this permanent act for 1 year would be tantamount to an admission upon the part of the Senate, at least, that it did not contemplate action upon the remaining titles of the bank bill which is pending in the subcommittee of the Committee on Banking and Currency.

Since interposing that objection, however, I have discussed the matter with the Senator from Virginia [Mr. GLASS], the Senator from Ohio [Mr. BULKLEY], and other Senators who are members of the committee; and, after receiving full assurance that the measure referred to is going to receive action, and will be reported to the Senate in due course and without unnecessary delay, I have decided to withdraw my objection to the joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 152) to extend for 1 year the temporary plan for deposit insurance provided for by section 12B of the Federal Reserve Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 12B of the Federal Reserve Act, as amended, is amended (1) by striking out "July 1, 1935" wherever it appears in subsections (e), (l), and (y), and inserting in lieu thereof "July 1, 1936"; and (2) by striking out "June 30, 1935" where it appears in the first sentence of the eighth paragraph of subsection (y), and inserting in lieu thereof "June 30, 1936."

Mr. FLETCHER. Mr. President, in reference to the joint resolution which has just been passed, I desire to say that the committee reported the joint resolution this morning. My own judgment is that the time ought to be 90 days instead of 1 year; but the majority of the committee was of the other view and reported the joint resolution as the Senator from Virginia has stated.

I do not care to make any contest about the matter. I think, however, it would have been advisable to make the limitation 90 days, because we expect to have the banking bill before the Senate and expect to pass it within 90 days, which will put into permanent law the provision with regard to the insurance of deposits.

Mr. GLASS. Mr. President, I desire to make a personal statement.

The newspapers this morning gave an utterly inaccurate statement of the purpose of this joint resolution, to the effect that it was designed to prevent action on the three titles of the banking bill pending in the committee. There is not a word of truth in that statement. There is no justification or excuse for it. To show how utterly inaccurate one of the recitals was, it was therein stated that I had made a vehement appeal to the committee to adopt the joint resolution, whereas I did not open my mouth on the subject until I voted for the joint resolution when my name was called.

INCREASE OF TAXATION

Mr. HARRISON. Mr. President, I desire to make a statement. Yesterday I stated I should move this morning to take up the joint resolution passed by the House of Representatives extending the so-called "nuisance taxes." Since that time there have been some developments which justify me in stating at this time that I shall not call up the joint resolution this morning. I hope to call it up at the first opportunity, probably tomorrow. A meeting of the Finance Committee has been called for 4 o'clock this afternoon, at which time we hope to consider certain amendments which will be offered to the joint resolution.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I yield.

Mr. KING. I ask the Senator whether or not the Committee on Ways and Means of the House of Representatives is expecting to proceed to the consideration of the President's message submitted some time ago, and, if so, when that important committee, a committee of the House where all legislation to raise revenue must originate, intends to take up the message?

Mr. HARRISON. The information I have from the Speaker and the Chairman of the Ways and Means Committee is that they will not take up the matter immediately, or at least until the Senate shall have passed upon certain amendments to the joint resolution already passed by the House.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oregon?

Mr. HARRISON. I yield.

Mr. McNARY. The only information I have on the subject was contained in the morning press, upon which I place full reliance. It occurred to me the Senator is proceeding with unseemly haste in attempting to present a tax bill, whose purpose is to modify the general tax structure, as an amendment to a joint resolution covering only so-called "nuisance" taxes. If I am correctly informed, the nuisance taxes will expire on the 30th day of this month. Hence it would appear that the Senator is attempting to attach, as an amendment to the joint resolution, a tax bill which must necessarily be considered very hastily by both branches of Congress if it is to be passed by Saturday night.

Mr. HARRISON. I think the Senator is correct in his conclusions. That is why we hope there will be a great deal of haste in the matter. That is why I am calling the Finance Committee together this afternoon.

Mr. McNARY. Is it the intention of the Chairman of the Finance Committee to proceed without any hearings being had, without notice being given to anyone affected by the plan of taxation?

Mr. HARRISON. That matter has not as yet been decided.

Mr. McNARY. Speaking with utmost frankness, is it possible for the chairman of the committee to say he will submit the matter to the committee today, and then in the same breath say we will pass it by Saturday night and still state that the committee can hold hearings on the proposed amendments?

Mr. HARRISON. I think it would be impossible to have extended hearings and pass the joint resolution by Saturday night.

Mr. McNARY. Does the Senator think the proposal which he is now making, an amendment affecting the entire tax structure, can be attached to the joint resolution, and come within the constitutional provision relating to revenue measures?

Mr. HARRISON. I am quite sure if we can get a majority of the Senators to vote for the amendment, we can do it.

Mr. McNARY. Of course the Senate could pass it, but has the Senator seriously considered the constitutional effect of an attempt to place an amendment of substance on a measure which we are pleased to call a joint resolution having to do with the raising of revenue?

Mr. HARRISON. The joint resolution before us is a revenue measure and we have a right to place amendments of a revenue character on a revenue measure, the joint resolution having originated in the House.

Mr. McNARY. I appreciate that, but the joint resolution the Senator is proposing to have considered is a mere shadow. The substance which the Senator is proposing to have considered is a tax measure, and I believe that cannot be done constitutionally. Has the Senator given any serious consideration to the plain mandate of the Constitution?

Mr. HARRISON. I have thought about it night and day, and I am sorry the Senator and I differ about it, as others may differ about it.

Mr. KING. We do.

Mr. HARRISON. The matter is here, and I hope the Finance Committee this afternoon may take it up and give it consideration.

Mr. McNARY. Will the Senator kindly outline in a few words what he proposes in the matter of the collection of new revenue?

Mr. HARRISON. As suggested in the President's message, as the Senator realizes, there are three proposals which the President is very anxious to have taken up for consideration at this time. He is very anxious to have them placed on the joint resolution as amendments.

The first is with reference to graduated taxes on corporations, beginning, as suggested in the President's message, at 10¾ percent on the smaller corporations and running as high as 16¾ percent on the larger corporations.

Secondly, in the present law relating to incomes of $1,000,000 and more, the brackets cease at $1,000,000. A person pays at the same rate on an income of $10,000,000 as on an income of $1,000,000. As suggested in the President's message, he desires that an increase in surtaxes on the larger incomes shall be written into the law. That is the second proposal.

The third suggestion is to put a tax on net inheritances. Under the present law, as the Senator will remember, the tax ceases at 60 percent. After an estate is split up and the inheritances go to the individuals, then under the President's suggestion we would apply a tax on the large inheritances.

Mr. LONG. A tax of how much?

Mr. McNARY. What sum of money does the Senator expect to raise by these proposed taxes?

Mr. HARRISON. Out of the three proposals the rough estimate, ascertained from my conference this morning with the experts, subject, of course, to revision, is somewhere around $340,000,000.

Those are the three suggestions submitted by the President on which he desires legislation in connection with the joint resolution at this session of Congress.

Mr. CLARK and other Senators addressed the Chair.

The VICE PRESIDENT. Let the Chair state the parliamentary situation. The Senator from Mississippi is speaking by unanimous consent. He has yielded to the Senator from Oregon. Does the Senator from Mississippi at this time yield to any other Senator?

Mr. HARRISON. I yield further to the Senator from Oregon if he wishes to interrogate me further.

Mr. McNARY. I desire to do so. When the President's message was read I thought the clear implication was that the President did not expect and did not hope for any legislation of this nature at the present session of Congress. I entertain the hope that the committee, after further consideration, will not go into this important question at this time. It is not fair to those who have been here during these strenuous days and have worked diligently and faithfully for the passage of legislation which has been submitted. If there is any fitting legislation in that behalf, would it not be better to have the committee consider the subject matter studiously, thoroughly, and diligently during the summer or fall, and let the Congress come back in the fall, or winter if need be, to consider the matter, rather than to try hurriedly and hastily to pass it in 4 or 5 days at this time? I submit that suggestion to the intelligence and fairness of the Senator from Mississippi.

Mr. HARRISON. That viewpoint has been expressed by some and it has been vetoed by others. It is thought that the best thing to do under the circumstances is to consider the legislation at this time.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. HARRISON. I yield.

Mr. CLARK. Is it the intention of the Chairman of the Finance Committee and other leaders to undertake to force through before next Saturday night very comprehensive and wide-spread changes in our present taxing laws on the basis of rough estimates from the Treasury Department?

Mr. HARRISON. Of course, it is not my desire to force anything through the Senate; but it is the desire to bring it before the Senate for consideration, so the Senate may act as it shall see fit.

Mr. CLARK. I should like to say to the Chairman of the Finance Committee that I was one of those who signed the round robin the other day.

Mr. HARRISON. That undoubtedly had influence in reaching the decision.

Mr. CLARK. That round robin expressed a willingness on the part of the Senators who signed it to stay here all summer, if necessary, to consider and work out a program along the lines of the President's message. Speaking for myself alone, that did not mean I was willing between now and next Saturday night to vote for a snap-judgment measure based on a rough estimate from the Treasury Department by some expert which has never been considered by the Ways and Means Committee of the House and has never been considered by the Finance Committee of the Senate. I desire now to serve notice that, so far as I am concerned, if this very comprehensive measure is to be adopted and passed through the Senate by next Saturday night, it will be very late Saturday night when it is done.

Mr. HARRISON. Of course, I am sure the Finance Committee never takes snap judgment, but always considers earnestly every proposition that is laid before it. I am sure the Senate itself has no desire to try to take snap judgment on any matter. We have some very extraordinary experts

not only in the legislative branch of the Government but in the Treasury Department. I feel quite sure that this matter, which is now being considered and worked on, will be in shape very quickly, and the committee can then give every consideration to it. Whether or not it will take until midnight on Saturday I do not know. I am willing to stay here Saturday night if we cannot pass the bill before that time, but we shall lose taxes amounting to between a million and a half and two million dollars a day after the expiration of the nuisance taxes on Saturday night; and, of course, the longer we stay here in a discussion of these amendments the more it will delay the adjournment of Congress.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. HARRISON. Yes; I yield to the Senator.

Mr. CLARK. Let me suggest to my friend from Mississippi that the sooner the Congress goes ahead and passes the temporary measure for the extension of the so-called "emergency" or "nuisance" taxes and really undertakes seriously to work out the tax program contained in the President's message along comprehensive and permanent lines, on information which should be before the Congress at the time it acts, the sooner we shall arrive at the goal outlined in the President's message.

Mr. HARRISON. I may say to the Senator that I am sure we are not going to act too hastily in this matter. We can obtain the opinions of the experts and act quickly; and I know that with the aid of the Senator's keen intellect and ability and experience, together with the cooperation of other members of the Finance Committee, not including myself, we can evolve a workable program without staying here all summer.

Mr. ROBINSON. Mr. President, I feel constrained to call for the regular order.

The VICE PRESIDENT. The regular order is the next bill on the calendar, which will be stated by the clerk.

THIRD TRIENNIAL MEETING OF ASSOCIATED COUNTRY WOMEN OF THE WORLD

The Senate proceeded to consider the bill (S. 2664) to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Mississippi [Mr. HARRISON] a question.

The VICE PRESIDENT. The Senator from Arkansas has called for the regular order.

Mr. VANDENBERG. I am speaking to the bill now before the Senate.

The VICE PRESIDENT. The Senator from Michigan is recognized for 5 minutes.

Mr. VANDENBERG. I should like to ask the Senator from Mississippi——

Mr. HARRISON. I thought I had answered all questions.

Mr. VANDENBERG. The Senator has not. Am I mistaken in understanding that the Senator is now proposing a course which his own committee by vote within the past 10 days declined to pursue?

Mr. HARRISON. There have been some very important developments since the committee acted recently. Does that answer the Senator's question?

Mr. VANDENBERG. Am I correct in saying that the committee did vote otherwise within the week?

Mr. HARRISON. The committee did vote the other way, and voted not to put any amendments on the joint resolution.

Mr. BLACK. Mr. President, if the Senator will yield, I desire to state that the committee did not vote unanimously to that effect.

Mr. HARRISON. No; there were two members of the committee, I think, who did not vote that way.

Mr. BARKLEY. Mr. President, if the Senator will yield, the vote that was taken did not involve primarily this proposition anyway. There were many proposals or suggestions to amend some of the taxes we were extending. The committee really took the position that it would not add those proposals to the joint resolution.

Mr. VANDENBERG. Mr. President——

Mr. HARRISON. The Senator from Michigan has asked me a question, and I should like to answer it. The Senator from Kentucky [Mr. BARKLEY] is absolutely correct. This new development came before us after the Finance Committee had reported the joint resolution without any amendment save to change the time from 2 years to 1 year.

Mr. VANDENBERG. Does the Senator think it is fair to the rest of the Senate to ask us to take the program of the Senator from Louisiana [Mr. LONG], when he is the only one in the Senate who has had a real chance to inquire into it?

Mr. HARRISON. Of course, the Senator from Michigan must consult his own conscience, and I am sure he still has some left.

The VICE PRESIDENT. The amendment of the committee will be stated.

The amendment was, on page 1, line 3, after the word "hereby", to insert "authorized to be", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, such sum to be expended for such purposes and under such regulations as the Secretary of State shall prescribe and without regard for any other provision of law.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PERCY C. WRIGHT

The bill (H. R. 2566) for the relief of Percy C. Wright was announced as next in order.

Mr. KING. Let that go over.

Mr. McKELLAR. May we have an explanation of the bill, at any rate?

Mr. KING. It is reported adversely. Let it go over.

Mr. SHEPPARD. I can give an explanation of the bill if the Senator desires. Does the Senator wish an explanation of it, or does he wish it to go over?

Mr. KING. I should like it to go over. The Secretary of War reports adversely on the bill.

The VICE PRESIDENT. The bill will be passed over.

Mr. BULKLEY subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 841, being House bill 2566. The Senator from Iowa [Mr. DICKINSON], who reported that bill, is now present in the Chamber, and I think the Senator from Tennessee will not object to it at this time.

Mr. McKELLAR. What bill is it?

Mr. BULKLEY. It is House bill 2566, for the relief of Percy C. Wright.

The PRESIDING OFFICER. Is there objection to recurring to the bill and to its present consideration?

There being no objection, the Senate proceeded to consider the bill (H. R. 2566) for the relief of Percy C. Wright, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Percy C. Wright, former Reserve officer, and pay him a pension at the rate of $100 per month: *Provided*, That such pension shall be in lieu of any pension now received from the Veterans' Administration by said Percy C. Wright: *And provided further*, That this act shall not deprive said Percy C. Wright of such insurance payments to which he may be entitled.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GEORGE C. MANSFIELD CO.

The bill (S. 2160) for the relief of the George C. Mansfield Co. and George D. Mansfield was announced as next in order.

Mr. ROBINSON. Mr. President, I should like to have a statement of the subject matter and purposes of this bill. I see the bill was introduced by the Senator from Wisconsin [Mr. LA FOLLETTE] and was reported by the Senator from Alabama [Mr. BLACK].

Mr. LA FOLLETTE. Mr. President a bill identical with this has passed the Senate, if my recollection serves me, on two separate occasions. It is a bill designed to grant to the Mansfield Co. the right to go to the Court of Claims because of losses which they sustained as a result of the action of the Federal Food Administration.

Mr. McKELLAR. Mr. President, when was the claim first presented?

Mr. LA FOLLETTE. The bill was first presented, if I recollect correctly, in 1924. The Senate will remember that subsequent to the action taken against this company, decisions of the Supreme Court indicated that certain portions of the act were unconstitutional. This bill is merely to authorize this concern to test out its rights in the Court of Claims.

Mr. KING. The Senator will perceive that there has been a recommendation against it by the Food Administration, as I recall.

Mr. LA FOLLETTE. That is correct; but——

Mr. ROBINSON. I shall have to ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. LA FOLLETTE subsequently said: Mr. President, I ask unanimous consent to recur to Senate bill 2160.

The PRESIDING OFFICER (Mr. MINTON in the chair.) Is there objection to the request of the Senator from Wisconsin?

There being no objection, the Senate proceeded to consider the bill (S. 2160) for the relief of the George C. Mansfield Co. and George D. Mansfield, which had been reported from the Committee on Claims with an amendment, on page 2, line 4, after the word "loss", to insert "if any", so as to make the bill read:

Be it enacted, etc., That the George C. Mansfield Co. and George D. Mansfield, of Milwaukee, Wis., are hereby authorized to bring suit against the United States to recover damages for any loss or losses which they may have suffered because of the action of the Federal Food Administration, division of enforcement, in directing and compelling said George C. Mansfield Co. and said George D. Mansfield to sell certain cheese products. Jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, consider, and determine such action on its merits, and to enter decree or judgment against the United States for the amount of such actual loss, if any, as may be found due to said George C. Mansfield Co. and said George D. Mansfield, without interest, with the same right of appeal as in other cases, notwithstanding the lapse of time or status of limitations or the tortious character of the action: *Provided*, That such action shall be brought within 6 months from the date that this act becomes effective.

SEC. 2. That upon final determination of such cause, if a decree or judgment is rendered against the United States, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum sufficient to pay final judgment, which shall be paid to said George C. Mansfield Co. and said George D. Mansfield or their duly authorized attorneys of record by the Secretary of the Treasury upon the presentation of a duly authenticated copy of such final decree or judgment.

Mr. ROBINSON. Mr. President, when this bill was reached on the calendar today I objected to its consideration because the report of the committee disclosed that no favorable recommendation was made by the department having jurisdiction of the subject matter. It appears that the bill simply refers the case to the Court of Claims for investigation and finding; and I withdraw the objection which I made.

Mr. LA FOLLETTE. Mr. President, I very much appreciate the Senator taking that course. I think in the confusion I perhaps did not make it clear to the Senator that the bill merely refers this matter to the Court of Claims to give the parties in interest a chance to adjudicate the rights, if any, of the claimants.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALFRED L. HUDSON AND WALTER K. JEFFERS

The Senate proceeded to consider the bill (S. 1111) for the relief of Alfred L. Hudson, which had been reported from the Committee on Claims with amendments.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? There seems to be no recommendation by the Department.

Mr. LONG. Mr. President, I am rather slow-minded. A minute ago the Senator from Michigan [Mr. VANDENBERG] made a statement in which he mentioned my name. I did not catch the purport of it until I had been seated here for about 10 minutes.

I wish to say to the Senator from Michigan that I come from a family which claims kinship with everybody down to the hundredth cousin; and if $340,000,000 a year is going to be raised by a bill imposing a tax on big fortunes, it may be that I shall claim at least one-half of 1 percent kinship with that bill, and that I shall not disown that much of my own color and blood in it; but $340,000,000 a year of added revenue from big fortunes to a country whose deficit is $3,000,000,000 does not come up to the point where it can be called a close blood relative. However, I shall not disown whatever kinship exists.

Mr. McKELLAR. Mr. President, may we have an explanation of the pending bill?

Mr. TOWNSEND. This is a bill for the relief of A. L. Hudson and Walter K. Jeffers, whose property was damaged by the lowering of the water level of the Chesapeake and Delaware Canal. While the War Department reports against the bill, we have felt that it was a meritorious claim. It is only for $854.90 in the case of one claimant, and $629.70 in the case of the other.

The VICE PRESIDENT. The amendments of the committee will be stated.

The amendments were, on page 1, line 4, after the word "pay", to insert "out of any money in the Treasury not otherwise appropriated"; in line 6, after the words "sum of", to strike out "$1,484.66 by reason of damages to his" and insert "$854.90 and to Walter K. Jeffers the sum of $629.70 in full settlement of all claims against the Government for damages to their"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred L. Hudson, the sum of $854.90, and to Walter K. Jeffers the sum of $629.70 in full settlement of all claims against the Government for damages to their property caused by the lowering of the water level of the Chesapeake and Delaware Canal, 1½ miles west of the town of St. Georges, in New Castle County, in the State of Delaware: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Alfred L. Hudson and Walter K. Jeffers."

RUTH NOLAN AND ANNA PANOZZA

The Senate proceeded to consider the bill (H. R. 3180) for the relief of Ruth Nolan and Anna Panozza.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? I will ask the Senator from Washington [Mr. SCHWELLENBACH], so that he will know what is running through my mind about the bill, whether the individuals mentioned did not give bond, and now do they not desire to have the Government reimburse them? If that is so, we ought not to have bonds.

Mr. SCHWELLENBACH. No, Mr. President; the situation in this case is simply this: These people put up bonds amounting to $6,500. The accused appeared and was tried, and there was no reason for forfeiting the bonds. The record discloses that it was purely by mistake that the bonds were forfeited. The recommendation of the Department is that the bill should pass.

Mr. KING. Mr. President, was the face amount of the bonds, or any amount whatever, paid into the Treasury by the two ladies who signed the bonds?

Mr. SCHWELLENBACH. Yes; they put up cash bonds. By mistake the money got into the Treasury. There was no basis for the forfeiture of the bonds.

Mr. KING. Does the Treasury Department recommend in favor of the restoration of the money?

Mr. SCHWELLENBACH. Yes.

The bill was ordered to a third reading, read the third time, and passed.

BOROUGH OF BROOKLAWN, N. J.

The Senate proceeded to consider the bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the word "Board", to insert "Bureau", so as to make the bill read:

Be it enacted, etc., That the United States Shipping Bureau is authorized and directed to make refunds to present owners of lands in the borough of Brooklawn, in the State of New Jersey, which have been purchased by them from the United States of 28 percent of the purchase price of such purchased lands where the full purchase price of said lands or where the full amount of principal and interest due on purchase money bonds and mortgages given to the United States of America, represented by the United States Shipping Board, covering such lands has been paid by such owners into the Treasury of the United States.

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That said refunds shall be in full settlement of all claims that such owners of lands, as hereinbefore described in this act, may have against the Government of the United States: *And provided further*, That no part of the amount appropriated by virtue of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated by virtue of this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of the act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, we should have an explanation of this bill. If no explanation is given, I shall ask to have the bill go over.

Mr. MOORE. Mr. President, an identical bill was passed by the Senate last year. I am not very familiar with its terms; but, in general, the situation is that during the war the Government bought the land in question and built a war city there. Later on there was not any use for it, and the property was sold to the public.

Mr. McKELLAR. The Department recommends the passage of the bill, does it?

Mr. MOORE. Yes, sir.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT OF CIVILIAN TEACHERS AT THE UNITED STATES NAVAL ACADEMY

The bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. TRAMMELL. Mr. President, this bill was sent to the Senate by the Navy Department upon the recommendation of the Visiting Board to the Naval Academy in 1934. It proposes to set up a retirement system for members of the teaching staff at the United States Naval Academy and the Postgraduate School after they have reached the age of 65 years. It proposes a system similiar to retirement systems which prevail in many of the colleges throughout the country at the present time.

I have a list of colleges in which such system is in force, and it is quite long. The bill seeks to give the civilian teachers a retirement system, they to contribute 5 percent of their annual salaries toward the creation of the fund. That, briefly, is the substance of the bill. It would take quite a while to read the list of the colleges throughout the country which have similar systems. This bill is formulated along the lines of such systems.

Mr. McKELLAR. Mr. President, some of the professors called to see me about the matter, and I asked them if they were dissatisfied with their salaries. I think the salary of one of the gentlemen was $4,100, he told me, and he said he was not dissatisfied with it, but as I understood him this would afford an opportunity for them to get a little more by way of retirement. I desire to have the privilege of voting against the bill. If the Senator desires to have it voted on, very well.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

RELIEF OF NAVAL AND MARINE CORPS RESERVES IN CONNECTION WITH THE "AKRON" DISASTER

The bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron*, was considered, ordered to a third reading, read the third time, and passed.

DEPORTATION OF ALIEN SEAMEN

The bill (S. 379) for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, I desire to object to this bill for the reason that the State Department says its enactment would lead to unfortunate international complications. At some appropriate time, if we have opportunity to do so, we can discuss the matter at some length. For the time being, I object.

The PRESIDENT pro tempore. The bill will be passed over.

DISTRIBUTION OF THE LINE OF THE NAVY

Mr. TRAMMELL. Mr. President, I see the senior Senator from New York [Mr. COPELAND] in the Chamber, and I should like to call attention to the fact that when Calendar No. 442, House bill 5599, to regulate the strength and distribution of the line of the Navy, and for other purposes, was reached yesterday it went over at the request of the Senator from New York. I should like to have the Senate recur to that bill. The Senator from New York has an amendment which I am willing to accept and take to conference, and I think that will meet the objection of the Senator.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent that the Senate return to the consideration of Calendar No. 442, being House bill 5599. Is there objection?

Mr. McNARY. Mr. President, that does not quite come within the plan suggested in the proceedings of yesterday.

Today we started on page 13 of the calendar in order to finish the consideration of the bills remaining on the calendar. I do not think it is quite within the spirit of the unanimous-consent agreement to go back to measures which were considered yesterday, when under the unanimous-consent agreement we are considering new orders today.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. COPELAND. I hope the Senator will permit the consideration of this bill. I was not here yesterday, being away on important business, and it was on my objection, recorded with a fellow Senator, that the bill went over. The Senator from Florida is going to accept the amendment which I had in mind, and I hope the Senator from Oregon will allow the bill to be passed. It is an important bill.

Mr. McNARY. Mr. President, in view of the absence of the Senator from New York on yesterday, I shall not object.

There being no objection, the Senate proceeded to consider the bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy and for other purposes.

The PRESIDING OFFICER. The Senator from New York proposes an amendment, which the clerk will state.

The CHIEF CLERK. It is proposed on page 10, after line 18, to insert a new section, as follows:

SEC. 9. That hereafter no payment shall be made from appropriations made by Congress to any officer in the Navy or Marine Corps on the active list while such officer is employed, after June 30, 1897, by any person or company furnishing naval supplies or war material to the Government; and such employment is hereby made unlawful after said date: *Provided*, That no payment shall be made from appropriations made by Congress to any retired officer in the Navy or Marine Corps who for himself or for others is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Navy or the Navy Department, any naval supplies or war material.

So as to make the bill read:

Be it enacted, etc., That so much of the Naval Appropriation Act approved August 29, 1916 (39 Stat. 576; U. S. C., title 34, sec. 2), as provides that "hereafter the total number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be 4 percent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps", is hereby amended to read as follows: "Hereafter the total authorized number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be equal to 4¾ percent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps."

SEC. 2. That so much of the Naval Appropriation Act approved August 29, 1916 (39 Stat. 576; U. S. C., title 34, sec. 4), as amended by the act approved March 3, 1931 (46 Stat. 1482; U. S. C., supp. VII, title 34, sec. 4), as provides: "That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 in the grade of rear admiral, to 4 in the grade of captain, to 8 in the grade of commander, to 15 in the grade of lieutenant commander, to 30 in the grade of lieutenant, to 42 in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided*, That no officer shall be reduced in rank or pay or separated from the active list of the Navy as the result of any computation made to determine the authorized number of officers in the various grades of the line", is hereby amended to read as follows: "That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 in the grade of rear admiral, to 4 in the grade of captain, to 8 in the grade of commander, to 15 in the grade of lieutenant commander, to 30 in the grade of lieutenant, to 42 in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided*, That no officer shall be reduced in rank or pay or separated from the active list of the Navy as the result of any computation made to determine the authorized number of officers in the various grades of the line: *Provided further*, That for the purpose of making any computation to determine the authorized number of officers in the various grades of the line above the grade of lieutenant (junior grade), the number of commissioned line officers on the active list, exclusive of commissioned warrant officers, shall, until June 30, 1936, be assumed to be 5,499, and after that date any computation to determine the authorized number of officers in the various grades of the line shall be based on the total number of commissioned line officers on the active list at any one time not below 5,499, exclusive of commissioned warrant officers: *Provided further*, That except in time of war the following numbers, exclusive of additional numbers in grade, in the grades as indicated shall not be exceeded: In the grade of rear admiral, 58; in the grade of captain, 240; in the grade of commander, 515: *And provided further*, That except in time of war, if any computation made to determine the authorized number of officers in the various grades of the line would, except for the immediately foregoing proviso, give a greater number of rear admirals than 58, or a greater number of captains than 240, or a greater number of commanders than 515, such excess number shall be carried in the grade of lieutenant commander and an increase in that grade above the 15 percent of the total number of commissioned officers on the active list at any one time, exclusive of commissioned warrant officers, is hereby authorized for that purpose."

SEC. 3. That section 4 of the act approved May 29, 1934 (48 Stat. 814), is hereby amended to read as follows:

"That after June 30, 1936, lieutenants and lieutenants (junior grade) who shall not have been recommended for promotion to the next higher grade by the report of a line-selection board as approved by the President shall, on and after June 30 next succeeding the date of the approval of said line selection board, if they have completed 14 or 7 years, respectively, of commissioned service, be carried as additional numbers in grade, but shall be included in the authorized number of commissioned officers of the active list of the line of the Navy in any grade to which later promoted. That for the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U. S. C., Supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 21 years for lieutenants and 14 years for lieutenants (junior grade): *Provided*, That lieutenants with less than 21 years' commissioned service shall become ineligible for promotion on June 30 of the fiscal year in which they attain the age of 45 years: *Provided further*, That no officer of said rank shall become so ineligible prior to June 30, 1936: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U. S. C., Supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade.)"

SEC. 4. That so much of the act approved June 30, 1914 (38 Stat. 404), as amended by the act approved August 29, 1916 (39 Stat. 576, 581), as further amended by the act approved July 1, 1918 (40 Stat. 708), which, as contained in the United States Code, title 34, section 3, provides:

"The total authorized number of commissioned officers of the active list of the following Staff Corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Supply Corps, 12 percent; Construction Corps, 5 percent; Corps of Civil Enginers, 2 percent; and the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one-hundredths of 1 percent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, hospital corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That hereafter the authorized number of surgeons in the United States Navy be, and it is hereby, increased by one.

"Dental Corps: There shall be one dental officer in the Navy for each thousand of the total authorized number of officers and enlisted men of the Navy and Marine Corps.

"Corps of Chaplains: The total number of chaplains and acting chaplains in the Navy shall be 1 to each 1,250 of the total personnel of the Navy and Marine Corps as fixed by law, including midshipmen, apprentice seamen, and naval prisoners"

is hereby amended to read as follows:

"The total authorized number of commissioned officers of the active list of the following staff corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Supply Corps, 12 percent: Construction Corps, 5 percent; Corps of Civil Engineers, 2 percent; and the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one-hundredths of 1 percent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That hereafter the authorized number of surgeons in the United States Navy be, and it is hereby, increased by one.

"Dental Corps: The total authorized number of commissioned officers of the Dental Corps shall be one for each 500 of the actual number of officers and enlisted men of the Navy and Marine Corps.

"Corps of Chaplains: The total authorized number of chaplains and acting chaplains in the Navy shall be one to each 1,250 of the total personnel of the Navy and Marine Corps as fixed by law, including midshipmen, apprentice seamen, and naval prisoners."

SEC. 5. That section 3 of the act approved March 3, 1931 (46 Stat. 1483; U. S. C., Supp. VII, title 34, sec. 286a), is hereby amended by inserting after the word "*Provided*", appearing in line 10 of said section 3 of Statutes at Large, volume 46, page 1483, the following clause: "The term 'service in grade' shall be construed to include service on the promotion list for his grade: *Provided further*", so that the said section will read as follows: "Except as provided in section 7, captains, commanders, and lieu-

tenant commanders, who shall not have been recommended for promotion to the next higher grade by the report of a line selection board as approved by the President prior to the completion of 35, 28, or 21 years, respectively, of commissioned service in the Navy, shall be ineligible for consideration by a line selection board, and any officer in said grade shall likewise be ineligible for consideration who on June 30 of the calendar year of the convening of the board shall have had less than 4 years' service in his grade: *Provided,* That the term 'service in his grade' shall be construed to include service on the promotion list for his grade: *Provided further,* That the commissioned service of Naval Academy graduates, for the purpose of this section only, shall be computed from June 30 of the calendar year in which the class in which they graduated completed its academic course, or, if its academic course was more or less than 4 years, from June 30 of the calendar year in which it would have completed an academic course of 4 years: *Provided further,* That except as provided in section 7, officers of any grade commissioned in the line of the Navy from sources other than the Naval Academy, shall become ineligible for consideration by a selection board when the members of the Naval Academy class next junior to them at the date of their original permanent commission as ensign or above become ineligible for consideration under the provisions of this section."

SEC. 6. That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the line of the Navy, not above the grade of lieutenant commander, to the corresponding grade in the Construction Corps, Civil Engineer Corps, or Supply Corps, without regard to the age of the officers so transferred and appointed.

SEC. 7. That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the Staff Corps of the Navy not above the rank of lieutenant commander to the corresponding rank and grade in the line of the Navy and the officers so transferred and appointed shall have the lineal position and precedence in the line which they would have held had they remained in the line or had their original appointments been in the line. Any officer so transferred and appointed shall be carried as an additional number in the grade in which he is serving and to which he may hereafter be promoted.

SEC. 8. That exclusive of student aviators and qualified aircraft pilots of the Navy and Marine Corps, the number of tactical and gunnery observers of the Navy and Marine Corps detailed to duty in aircraft and involving actual flying shall hereafter be in accordance with the requirements of naval aviation as determined by the Secretary of the Navy. So much of section 20 of the act approved June 10, 1922 (42 Stat. 632), as amended by section 6 of the act approved July 2, 1926 (44 Stat. 782; U. S. C., Supp. VII, title 37, sec. 29), which is inconsistent with or in conflict with the provision of this section, insofar as it relates to the Navy and Marine Corps, is hereby reapealed.

SEC. 9. That hereafter no payment shall be made from appropriations made by Congress to any officer in the Navy or Marine Corps on the active list while such officer is employed, after June 30, 1897, by any person or company furnishing naval supplies or war material to the Government; and such employment is hereby made unlawful after said date: *Provided,* That no payment shall be made from appropriations made by Congress to any retired officer in the Navy or Marine Corps who for himself or for others is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Navy or the Navy Department, any naval supplies or war material.

SEC. 10. That all laws and parts of laws which are inconsistent herewith or in conflict with the provisions hereof, insofar as they relate to the Navy and Marine Corps, are hereby repealed.

The amendment was agreed to.

Mr. COPELAND. The present section 9 should be renumbered to be section 10.

The PRESIDING OFFICER. Without objection, that amendment will be made.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. TRAMMELL subsequently said: I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. MINTON in the chair] appointed Mr. TRAMMELL, Mr. WALSH, and Mr. HALE conferees on the part of the Senate.

PROMOTION OF OFFICERS OF THE NAVAL STAFF CORPS

The bill (H. R. 5382) to provide for advancement by selection in the staff corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

BELL OIL AND GAS CO.

The Senate proceeded to consider the bill (S. 2464) for the relief of the Bell Oil & Gas Co., which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "of", to strike out "$5,964.79" and to insert in lieu thereof "$4,616.69", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,616.69 to the Bell Oil & Gas Co. of Tulsa, Okla., for the purpose of reimbursing said Bell Oil & Gas Co. for Federal tax on gasoline delivered under contract with the War Department, dated June 29, 1932, said Department having contracted to pay said tax and said payment having been refused by the Comptroller General of the United States: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, let the bill go over.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator will withhold his objection for a moment, this bill provides for the reimbursement of a contractor with the United States.

In 1932 the War Department asked for bids upon gasoline, and in the advertisement for bids the following statement appeared:

Any Federal tax hereafter made applicable will be charged to the Government and entered on invoices as a separate item.

Afterward a Federal tax bill was enacted, and this contracting firm agreed to furnish gasoline, and the Government agreed to pay the tax. The Government paid the tax for about a month, and then stopped paying the tax, and in order that the contractor might comply with the contract, he had to pay the tax.

The pending bill is for the reimbursement only of the tax which the contractor was compelled to pay in order to make good on his contract. The Government is in no way obligated in the matter excepting, under the pending bill, to reimburse the contractor for the amount of the tax paid under protest.

Mr. McKELLAR. Mr. President, I read from the report of the Secretary of War:

The subject bill S. 2464 proposes to make payment in the sum of $5,964.79 to the Bell Oil & Gas Co. as reimbursement for Federal taxes on the gasoline delivered under the contract referred to above. Inasmuch as it has been ascertained from paid invoices on file in the General Accounting Office that 431,269 gallons only of gasoline were furnished under the terms of said agreement, the amount stated in the bill would appear to be in excess of that which could have accrued in consequence of the Federal tax of 1 cent per gallon imposed by the Government on the gasoline delivered under the terms of the contract.

In view of the foregoing and the fact that contract W 503 QM-10664, as executed, made no provision for the payment either of Federal taxes or of interest, favorable consideration of this bill is not recommended.

I do not see how we can possibly justify a repayment under those circumstances. In the first place, the amount is not correct, and in the next place the company paid the tax voluntarily, without being required to do so.

Mr. THOMAS of Oklahoma. It paid the tax under protest, I will say to the Senator from Tennessee.

Mr. McKELLAR. That may be so, and it might have a just claim against the Department for what was actually paid, but there is nothing here to indicate that the figures are correct. Instead of that being so, the Department disputes the figures which are presented.

Mr. BURKE. Mr. President, in answer to the statement made by the Senator from Tennessee, while it is true that the Department reported that the figures were not correct, that was an error on the part of the department, and the Committee on Claims checked that matter fully and found the figures as stated in the bill to be correct, which is now admitted by the department.

The only dispute about the bill is in reference to the payment of the interest on the amount of the tax paid. While there was not a strict compliance with the certificate required by the Department, it is clearly demonstrated that the tax was not included in the bill rendered. The War Department for several months paid the tax, but the Comptroller General finally ruled that because the certificate did not strictly comply with the law, was not filled out in exactly the correct way, the amount could not properly be paid. I think the amount of the tax that was paid very clearly should be refunded. The House passed a bill allowing the interest, but the Senate committee did not allow the interest. The figures, however, are correct.

Mr. McKELLAR. The pending bill does not carry interest?

Mr. BURKE. No; and the figures are absolutely correct.

Mr. McKELLAR. I shall not object.

The PRESIDING OFFICER (Mr. ADAMS in the chair). The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REMOVAL OF PREFERENCES AND PREJUDICES IN THE CASE OF PORTS

Mr. LONG. Mr. President, the Senator from New Jersey [Mr. MOORE] is compelled to leave the Chamber to attend to some important business, and he and I are concerned with Senate bill 1633, to amend the Interstate Commerce Act, as amended, and for other purposes, being no. 932 on the calendar. In order that the Senator may leave to keep his engagement, I ask that the bill may go over by unanimous consent.

The PRESIDING OFFICER. The bill would go over under objection by one Senator.

Mr. LONG. It will not be reached for some little time. That is why I ask unanimous consent at this time that it may go over.

The PRESIDING OFFICER. Does the Senator desire to have it go over for the day?

Mr. LONG. For the day; yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

JOSEPH W. HARLEY

The bill (H. R. 1119) for the relief of Joseph W. Harley was considered, ordered to a third reading, read the third time, and passed.

CARRIE M'INTYRE

The bill (H. R. 1438) for the relief of Carrie McIntyre was considered, ordered to a third reading, read the third time, and passed.

LAKE B. MORRISON

The bill (H. R. 617) to correct the military record of Lake B. Morrison was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. SHEPPARD. Mr. President, may I explain the bill briefly? Will the Senator withhold his objection for a moment?

Mr. KING. Yes. I will say to the Senator that I have examined the report of the Committee on Military Affairs.

Mr. SHEPPARD. The records list Lake B. Morrison as a deserter, but the evidence before the committee further shows that he was ordered by his commanding officer to go home under threat of being shot if he did not obey, and, being an unusually young man for a soldier, in view of the threat on the part of his superior, he went home and remained there. This superior officer stated that he took this course on account of the young man's utter recklessness under fire. The Committee on Military Affairs believes that under the circumstances the young man should be relieved of the charge of desertion.

Mr. KING. Mr. President, I have no objection. I withdrawn my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 617) to correct the military record of Lake B. Morrison, which was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Lake B. Morrison."

BILLS PASSED OVER

The bill (H. R. 4827) for the relief of Don C. Fees was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4828) for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes, was announced as next in order.

Mr. KING. I should like an explanation of that bill. The Senator by whom it was reported is not in the Chamber, and I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

LIENS OF STATE AND LOCAL TAXES

The bill (S. 2351) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts was announced as next in order.

Mr. McKELLAR. Mr. President, I ask that the bill be passed over.

Mr. LA FOLLETTE. Mr. President, will the Senator from Tennessee withhold his objection for a moment?

Mr. McKELLAR. Yes.

Mr. LA FOLLETTE. This bill was introduced by my colleague [Mr. DUFFY] and myself to meet a situation which has arisen under the Bankruptcy Act. The Wisconsin Central Railway Co. is incorporated under the laws of the State of Wisconsin. It has, out of 1,832.20 miles, 1,408.5 miles located within the State of Wisconsin. It is a corporation created by grant of a charter from the State of Wisconsin. In 1909 the Chicago, Milwaukee, St. Paul & Sault Ste. Marie Railroad leased the Wisconsin Central lines under a 99-year lease. The taxes, which the State has always assessed against this corporation, its own creature, have always been paid up until the time that the road was placed under a Federal receivership. The effect has been to completely insulate the incident railroad company against procedure in the State courts.

Mr. McKELLAR. For taxes?

Mr. LA FOLLETTE. For back taxes which it owes to the State of Wisconsin.

Mr. McKELLAR. The feature which struck me as being of very doubtful propriety were these words in the committee amendment:

> And any such receiver, liquidator, referee, trustee, or other officer or agent, without order of the court of his appointment, shall comply with all orders, judgments, and decrees of any State court issued in the exercise of jurisdiction under this paragraph.

It seems to me that is likely to give rise to a great deal of confusion. Why not direct the Federal court to issue the order?

Mr. LA FOLLETTE. Mr. President, what this bill seeks to do——

Mr. McKELLAR. Mr. President, I see what the bill seeks to do, and I think it is proper.

Mr. LA FOLLETTE. What the bill seeks to do is to permit action to be commenced in the State courts to recover taxes against the corporation, which obtained its charter from the State itself, but because of the Federal receivership it has been effectively resisting the efforts of the State to collect taxes which are known to be due to the State.

Mr. McKELLAR. I think the State ought to collect the taxes, but I doubt the propriety of the committee amendment.

Mr. LA FOLLETTE. May I say that this amendment to the bill received the very careful consideration of the subcommittee and the full Judiciary Committee and was unanimously reported.

Mr. McKELLAR. It is evident that it ought to be done, and I withdraw the objection.

Mr. LA FOLLETTE. I appreciate the Senator's action.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2351) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 8, after the word "court", to insert a semicolon and the words "and any such receiver, liquidator, referee, trustee, or other officer or agent, without order of the court of his appointment, shall comply with all orders, judgments, and decrees of any State court issued in the exercise of jurisdiction under this paragraph", so as to make the bill read:

Be it enacted, etc., That section 66 of the Judicial Code is amended by adding the following new paragraph:

"Any State or civil subdivision thereof, heretofore or hereafter levying or imposing any tax which is or shall be a lien upon any property located within such State or civil subdivision, which property at the time of the imposition or levying of such tax or at any time thereafter is in the possession of any receiver, liquidator, referee, trustee, or other officer or agent appointed by a United States court, may pursue all remedies under the laws of such State for the enforcement and collection of such tax in the same manner and to the same extent as if the property were not in the custody of any such court or receiver, liquidator, referee, trustee, or other officer or agent, without leave of or interference by such court; and any such receiver, liquidator, referee, trustee, or other officer or agent, without order of the court of his appointment, shall comply with all orders, judgments, and decrees of any State court issued in the exercise of jurisdiction under this paragraph."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LA FOLLETTE. Mr. President, in connection with the passage of the bill, I ask that there may be incorporated at this point in the RECORD a letter from the attorney general of Wisconsin, Hon. J. E. Finnegan, addressed to my colleague [Mr. DUFFY].

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

MARCH 1, 1935.

Re: Wisconsin Central Railway Co.

Hon. RYAN DUFFY,

United States Senator, Capitol Building, Washington, D. C.

DEAR SENATOR: A peculiar situation has developed respecting the taxes owed to the State of Wisconsin upon the Wisconsin Central Railway Co.'s property within this State for the years 1932, 1933, and 1934. The State finds itself at a disadvantage in the collection of these taxes because of the fact that the Wisconsin Central is in receivership by virtue of an order of the District Court of the United States for the District of Minnesota, and by virtue of the various provisions of the Judicial Code and decisions of the Federal courts, which will hereafter be adverted to.

We believe that the State can be placed in a position to collect the taxes it has coming from the Wisconsin Central by action in the State court if the Judicial Code is amended as hereinafter suggested. For your information, we give you the following outline of the facts in this transaction:

The Wisconsin Central Railway Co. is indebted to the State of Wisconsin upon unpaid taxes levied pursuant to the provisions of chapter 76, Wisconsin Statutes, as follows:

Due June 15, 1932	$341,573.10
Due Nov. 21, 1934 (reassessment for year 1933)	526,001.58
Due Nov. 21, 1934 (reassessment for year 1934)	540,002.08
Total	1,407,576.76

None of these taxes have been paid.

The Wisconsin Central Railway Co. is organized and existing under the laws of the State of Wisconsin. As of December 31, 1932, of a total of 1,832.20 miles in its system, 1,408.50 miles were located in the State of Wisconsin, and the remaining mileage is located as follows:

210.83 miles in Minnesota.

42.26 miles in Michigan.

170.61 miles in Illinois.

In January of 1909 Minneapolis, St. Paul & Sault Ste. Marie Railway Co. acquired the majority of the outstanding common stock of the Wisconsin Railway Co. and entered into an agreement with the subject railway, denominated at least for 99 years, but characterized by our Supreme Court in *Minneapolis, St. Paul & Sault Ste. Marie Railway Co.* v. *Henry* (255 N. W. 896, at 897) as "perhaps more in the nature of a contract whereby the Soo Co. agreed to operate for that term unless sooner terminated the Wisconsin Central lines in connection with its own for the common benefit of both."

From the date of the execution of this lease until December 2, 1932, the Soo line operated the railway property of the Wisconsin Central under this lease. By 1924 the Soo line had acquired practically all of the common stock of the subject railway. The so-called "lease" required the Soo Co. to pay out of the earnings of Wisconsin Central the taxes levied against the latter's property, with provision exempting it from personal liability for such taxes, and also required the Soo Co. to account for the earnings of the Wisconsin Central line and turn the net earnings over to the subject company.

For many years the Soo line has owned railway property within the State of Wisconsin in addition to the property of the Wisconsin Central which it operated under the agreement above mentioned. For some years prior to the year 1933 it had been the practice of the tax commission to assess the operating property of the Soo line and of the Wisconsin Central, under the provisions of chapter 76, statutes, as a unit and to levy a single tax thereon which, prior to the year 1932, the Soo line paid without protest. Following this practice a unit assessment of both the properties of the Soo and the Wisconsin Central were made for the year 1932, and a tax levied thereon in the total amount of $975,923.14, of which the Soo paid $634,350.04, leaving an unpaid balance of $341,473.10, being the amount first mentioned in this letter. We are not advised as to whether or not the Soo made any protest against the unit assessment for the year 1932 at the time it was made, but presumably the reason why the Soo only paid part of the tax for the year 1932 was that it was in financial difficulties itself. This presumption that it did not intend to protest against unit assessment of properties of both companies for the year 1932 is supported by the fact that it paid almost two-thirds of the tax levied for that year, while the value of its operating property within the State is much less than half of that of the Wisconsin Central.

Although the subject railway is a Wisconsin corporation and has the bulk of its operating and nonoperating property within this State, on December 2, 1932, the Northwestern Fire & Mutual Insurance Co. filed its bill of complaint against the Wisconsin Central Railway Co. in the District Court of the United States for the District of Minnesota, alleging that a substantial part of the subject's railway is in Minnesota; that its principal operating offices, "so far as the defendant conducts operations" and the records pertaining thereto, are in Minneapolis; that the plaintiff owns $10,000 of the subject's bonds secured by trust indentures on its properties. That there were no earnings from the property for part of the interest due on the subject's bonds for the years 1930, 1931, and 1932, and none for the January 1, 1933, installments, and that the Wisconsin Central faced hundreds of lawsuits by bondholders; that there would be payable to the State of Wisconsin in the immediate future taxes in excess of $341,000, constituting a paramount lien on the property of defendant, which taxes defendant is and will be unable to pay, whereupon the State of Wisconsin will be entitled to take possession of defendant's property and to have the same sold in satisfaction of such taxes; that the property of the subject railway was being operated by the Soo line under a lease; that the revenues would be insufficient to pay the operating expenses; and that the Soo Line had given notice that, unless arrangements were made to meet operating expenses, it would cease operating the subject's lines and return possession thereof to the subject railway company; that if the Wisconsin Central took possession of its lines it would be unable to operate the same because of lack of funds and necessity of building up an operating organization; that the Wisconsin Central was threatening to take possession of its lines, and that the properties were, therefore, threatened with cessation of operation; that the remedy under the trust mortgages securing the bonds was inadequate because it gave no remedy by receivership, foreclosure, or otherwise, excepting after default and no default under the terms thereof had occurred, and that the nonoperation of the lines of Wisconsin Central could only be prevented by injunction and receiver. The usual prayer for appointment of a receiver and restraint upon creditors and others was appended to the bill.

On December 2, 1932, the same day that the bill was verified and filed, the Wisconson Central filed its answer, admitting every allegation of the bill and joining in the prayer for the appointment of a receiver.

On December 2, 1932, A. E. Wallace was appointed receiver for the operating properties of the Wisconsin Central and was, by the order, specifically authorized "to discharge all public duties obligatory upon" Wisconsin Central Railway. He was authorized, in his discretion, to provide for the payment of (a) all taxes and

assessments then or hereafter due upon the property of the Wisconsin Central, (b) operating expenses, and (c) and (d) other items. All persons were enjoined from interfering with the possession of the receiver. The receiver was directed to file a $25,000 bond and to file an inventory within 90 days.

A. E. Wallace, at the time of his appointment, according to our information, was the general manager and a vice president of the Soo Line.

On December 3 petition for ancillary receiver was filed in the District Court of the United States for the Northern District of Illinois, and on that day Judge Wilkeson appointed A. E. Wallace ancillary receiver of the property and assets of the Wisconsin Central Railway Co., situated in the seventh judicial circuit. The order of the Minnesota court was confirmed and its provisions made to extend over the property of the Wisconsin Central, located in the seventh judicial circuit, and the order contained restraint upon creditors and others similar to that provided in the original order of the Minnesota district court. The ancillary receiver was not required to give bond.

On December 7, 1932, certified copy of the order of Judge Wilkeson, together with copies of the bill of complaint, answer, and order filed in the Minnesota court, were filed in the District Courts of the United States for the Eastern and Western Districts of Wisconsin. This procedure was apparently adopted pursuant to the authority of 28 U. S. C. A., section 117, which provides that where in any suit in which a receiver is appointed property of a fixed character, which is the subject of the suit, lies within different States of the same judicial circuit, the receiver shall be immediately vested with full jurisdiction and control over all the property, the subject of the suit, lying or being in such circuit.

It will be observed that, although the Wisconsin Central is a Wisconson corporation and the bulk of its property is located within this State, both the company and its operating property have been effectually insulated against action by its creditors in the State of its origin and principal operations, all without application to or proceedings had in any State or Federal court located in Wisconsin.

On December 3, 1932, the receiver, with the approval of the Minnesota district court, entered into an agreement with the Soo Co. whereby the Soo Co., for the receiver, continued to operate the Wisconsin Central lines. It thus appears that the continuity of the management of the operating properties of the subject railway by the Soo Line has not been disturbed by the receivership. The last-mentioned agreement provided that the Soo Co. was to collect the revenues of the Wisconsin Central Lines and apply them in discharge of cost of operation and maintenance, including taxes, and was not obligated to use its own funds for these purposes. We are informed that the Soo Line has continued to operate the subject properties under this agreement until the present time.

During the year 1933 the State of Wisconsin became a party to the receivership proceeding by filing with the district court of Minnesota its claim for the 1932 taxes in the amount of $341,573.10, plus interest at the rate of 15 percent per annum.

On or about May 1, 1933, the tax commission again made a unit assessment of the properties of the Soo and the Wisconsin Central Cos. and levied a tax thereon of $857,187.76. The Soo Line protested against this assessment, tendered the sum of $78,000 as being the amount of tax justly and equitably due on June 15, 1933, on the lawful assessment of its properties, and commenced an action in the circuit court of Dane County against the State treasurer and others to declare the 1933 assessment illegal. The lower court granted the relief prayed for, and its judgment was affirmed upon appeal to the Supreme Court (*Minn., St. Paul & Sault Ste. Marie Co.* v. *Henry*, 255 N. W. 896). This case was decided on July 2, 1934. Prior to the decision the tax commission, on or about May 1, 1934, again assessed the properties of the Soo Line and the Wisconsin Central as a unit and levied a unit tax thereon for the year 1934.

On October 22, 1934, in compliance with the decision of the Supreme Court directing separate assessments of the property of the Soo Line and of Wisconsin Central for taxation purposes, the Tax Commission assessed the property of the Wisconsin Central separately and levied a separate tax thereon for each of the years 1933 and 1934. These are the unpaid taxes mentioned in the third paragraph of this letter. We are not advised whether or not the Soo Line has paid the taxes which were reassessed and levied against its property separately.

Section 76.22, Wisconsin Statutes, provides that the taxes levied and assessed pursuant to the provisions of chapter 76, after the same become due, shall become a lien upon the property of the utility within the State prior to all other liens, debts, claims, or demands whatever, which lien may be enforced in an action in the name of the State in any State court of competent jurisdiction against such company and against its property within the State; and further provides that the judgment in such action shall fix the amount of taxes and interest, adjudge the same a lien on the property and provide for the sale of such property within 90 days after the entry of judgment, and further provides that the state treasurer, in the name of the State, may bid at the sale and become the purchaser of the property thereat.

Under the authority of this section, the State commenced an action in the Dane County circuit court against the Wisconsin Central and its receiver, alleging the nonpayment of the taxes for the years 1933 and 1934 upon the reassessment above mentioned, and praying for the declaration and foreclosure of the lien enjoyed respecting such taxes. Leave was not obtained from the District Court of the United States for the District of Minnesota to commence this foreclosure action.

Because of the Federal decisions hereinafter referred to, a serious question as to the right of the State to proceed with the tax foreclosure action authorized by the Wisconsin statute above mentioned, has arisen. It will be noted that leave to maintain the action has not been obtained from the Minnesota Federal court. The reason for this was that the State does not want to subject the determination to them the question of the amount and validity of the taxes, as well as the remedies for the enforcement thereof, determined by a Federal court outside the State of Wisconsin. In other words, the State wants to be able to enforce its tax without going to the Federal court of neither Minnesota nor Illinois in order to have permission to exercise its sovereign right.

A number of Federal cases seem to take the view that the appointment of a receiver in a Federal court places the property in custodia legis and removes it from the power of the State to enforce a tax liability thereon. The leading case upon this point is *Ex parte Tyler* (13 Sup. Ct. 785, 149 U. S. 164), decided in 1893. In that case a receiver was appointed for the South Carolina Railway Co. in 1889. For the year ending November 1, 1891, the receiver made his return of the property for the taxes as provided by State law, and the State Board of Equalization raised the valuation as reported and computed a tax on the increased valuation. The receiver paid the amount of taxes admitted to be due, and filed his bill in the court of his appointment asking that the various county treasurers and sheriffs be restrained from issuing and levying tax executions against the property to collect the difference between the amount claimed and the amount paid, claiming that the balance of the tax was illegal. Temporary restraining order was issued upon this bill. While this restraining order was in force, the receiver made his report for the year 1892, the board of equalization again raised the valuation, and the receiver paid the amount which he admitted to be due. The various county treasurers issued tax executions for the difference between the amount paid and the amount levied for the year 1892, and on February 4, 1893 Tyler, sheriff of one of the counties levied upon a portion of the railway company's rolling stock by chaining it to the tracks.

On February 6 the receiver filed his petition in the circuit court, alleging the illegality of the taxation, praying for an injunction restraining interference with property in his hands and asking that the sheriff be committed in contempt for levying upon property in the custody of the court. Upon hearing thereafter had, the court held that in the contempt proceeding it was not competent for the court to go into the question as to whether the tax was or was not illegal, but did enjoin the sheriff from interfering with the possession of the receiver and directed the restoration of the property seized to the receiver, and adjudged the sheriff in contempt of court. In denying the petition for writ of habeas corpus, the Supreme Court, among other things, said (p. 789):

"No rule is better settled than that, when a court has appointed a receiver, his possession is the possession of the court, for the benefit of the parties to the suit and all concerned, and cannot be disturbed without the leave of the court, and that if any person, without leave, intentionally interferes with such possession, he necessarily commits a contempt of court, and is liable to punishment therefor."

And again (p. 790):

"The maintenance of the system of checks and balances characteristic of republican institutions requires the coordinate departments of government, whether Federal or State, to refrain from any infringement of the independence of each other; and the possession of property by the judicial department cannot be arbitrarily encroached upon save in violation of this fundamental principle.

"The levy of a tax warrant, like the levy of an ordinary fieri facias, sequestrates the property to answer the exigency of the writ; but property in the possession of the receiver is already in sequestration, already held in equitable execution, and, while the lien for taxes must be recognized and enforced, the orderly administration of justice requires this to be done by and under the sanction of the court. It is the duty of the court to see to it that this is done, and a seizure of the property against its will can only be predicated upon the assumption that the court will fail in the discharge of its duty—an assumption carrying a contempt upon its face."

And further (p. 791):

"This principle is applicable here, for whether the sheriff were armed with a writ from a State court, or with a distress warrant from a county treasurer, this property was as much withdrawn from his reach as if it were beyond the territorial limits of the State.

"The inevitable conclusion that this must be so, if constitutional principles are to be respected in governmental administration, does not involve interruption in the payment of taxes, or the displacement or impairment of the lien therefor; but, on the contrary, it makes it the imperative duty of the court to recognize as paramount, and enforce with promptness and vigor, the just claims of the authorities for the prescribed contributions to State and municipal revenue; and, when controversy arises as to the legality of the tax claimed, there ought to be no serious difficulty in adjusting such controversy upon proper suggestion. The usual course

pursued in such cases is by intervention pro interesse sue, as in the instance of sequestration (2 Daniell, Ch. Pl. & Pr. (4th ed.) 1057, 1744; *Savannah* v. *Jessup*, 106 U. S. 563, 564, 1 Sup. Ct. Rep. 512). The tax collector is a ministerial officer (*Erskine* v. *Hohnback*, 14 Wall. 613; *Stutsman Co.* v. *Wallace*, 142 U. S. 293, 12 Sup. Ct. Rep. 227), and no reason is perceived why he should not bring his claim to the attention of the court, while, on the other hand, it is clearly the duty of the receiver to do so, if he contends that the taxes are illegal. If found valid, they must be paid; if invalid, the court will so declare, subject to the review of the appellate tribunals."

The court further held in the cited cases that 28 U. S. C. A., sections 124 and 125, which direct the receiver to manage and operate the property, "according to the requirements of the valid laws of the State in which such property shall be situated, in the same manner that the owner or possessor thereof would be bound to do if in possession thereof", and further authorize suit against any receiver without leave of court "in respect of any act or transaction of his in carrying on the business connected with such property" did not restrict the power of the Federal court to preserve property in the custody of the law from external attack.

This decision has been adhered to by the Federal courts (*Fidelity Trust Co.* v. *Tennessee Charcoal Iron Co.* (C. C. A., 6th Cir.), 3 Fed. (2d) 857).

Brictson Mfg. Co. v. *Close* (C. C. A., 8th Cir.) (25 Fed. (2d) 794), in which it was held that a tax deed obtained upon property in the possession of a receiver was void (*Scott* v. *Western Pac. R. Co.*, 246 Fed. 545; *Coy* v. *Title Guarantee & Trust Co.* (D. C. Oreg.), 212 Fed. 520; *Bird* v. *City of Richmond* (C. C. A., 4th Cir.), 240 Fed. 545; *Bright* v. *Arkansas* (C. C. A., 8th Cir.), 249 Fed. 950, 953).

Under those decisions the question arises whether or not the Minnesota court would treat any deed issued upon a foreclosure sale in the pending action as a mere nullity, and claim the power to forestall any attempts by purchaser at the foreclosure sale to wrest possession of the property from the receiver.

You can see from the foregoing that a very fruitful source of litigation and delay in the collection of these taxes has been made available to the Wisconsin Central. We feel you will agree with us that the State should not be deprived of this substantial tax revenue by a public utility, at a time when the State badly needs the money, and when other taxpayers have to pay their taxes, although they are in a poorer position to do so than is the Wisconsin Central. We feel you will also agree with us that the State should not be required to go to Minnesota or to Illinois to obtain permission to collect these taxes from a Wisconsin corporation upon Wisconsin property.

We therefore suggest that the Judicial Code be amended so as to permit the State to enforce its tax lien in the State courts and prevent this situation arising at any future time. To accomplish this purpose we have drawn a bill creating a new section of the Judicial Code, which we would like to have you examine and give us the benefit of your views thereon. If the form of the proposed bill meets with your approval, we would greatly like to have it introduced in Congress and pressed with all convenient dispatch.

The Wisconsin Central has been trying to take advantage of the situation above outlined by attempting to negotiate a settlement of the taxes for $800,000. You can readily see how they are trying to deprive the State of over $600,000 of revenue without any cause whatever.

Yours very truly,

J. E. FINNEGAN, *Attorney General.*

AIR MAIL

Mr. McKELLAR. Mr. President, yesterday we practically completed the air mail bill, except that there was an objection by the Senator from Ohio [Mr. BULKLEY]. The Senator from Ohio has withdrawn his objection, and I ask unanimous consent to return to that bill, as I think every Senator, so far as I know, has agreed upon its terms. I refer to House bill 6511, being Calendar No. 718.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service, which had been reported from the Committee on Post Offices and Post Roads with an amendment to strike out all after the enacting clause and insert new matter.

Mr. McKELLAR. Mr. President, to the committee amendment I offer one other amendment, which I send to the desk and ask to have read. I am sure it will meet with the approval of all Senators.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment at the proper place it is proposed to insert the following section:

SEC. 12. (a) That hereafter no air mail carrier shall issue passes to any person or transport passengers at a different rate from that charged passengers generally: *Provided*, That said carriers may transport (a) the Postmaster General on departmental business or any person designated by him as traveling on departmental business; (b) any official or employee of the company or their immediate families; (c) any official or employee of other air mail companies.

Mr. KING. Mr. President, I should like an explanation of this bill, because evidently it is one of considerable importance, and I know from the communications I have received that it is attracting a great deal of attention.

Mr. McKELLAR. That is true, Mr. President, and for a number of months the bill has been very earnestly considered by the Committee on Post Offices and Post Roads; virtually all of the differences have been ironed out, and the bill as now presented, I believe, meets the approval of everyone. I call special attention of the Senator from Vermont [Mr. AUSTIN] and the Senator from Ohio [Mr. BULKLEY], who is now here to speak for himself about this bill.

Mr. BULKLEY. Mr. President, yesterday I asked that this bill go over. In the meantime I have satisfied myself that the amendments make the bill quite satisfactory.

Mr. McKELLAR. I believe it is satisfactory to virtually everyone who is interested in it, and that is why I am asking that it be considered at this time, and I hope the Senator will not object.

Mr. JOHNSON. Mr. President, I am compelled to ask that the bill go over for 1 day because of amendments which came to me, which, I think, probably have been inserted in the bill, but of which I am not certain.

Mr. McKELLAR. I will say that chambers of commerce from the Senator's State, California, and all of the Senators from the Pacific Coast States have stated that the provision which is in the bill is entirely satisfactory to them. If it should not be satisfactory, I will agree to a reconsideration of the bill, if it shall be passed at this time.

Mr. JOHNSON. Let me ask the Senator just one question. If he assures me upon that point probably I can withdraw my objection. Are the amendments which were presented by the city of Los Angeles and the representative of the city before the committee incorporated in the bill?

Mr. McKELLAR. They are incorporated in the bill.

Mr. AUSTIN. Mr. President, I wish to state that the bill is not entirely satisfactory to the Senator from Vermont in one regard, and that is the perpetuation of the vindictive clause in the bill, but the Senator from Vermont did not wish to make a contest upon that point. He has received very satisfactory treatment from the chairman of the committee with respect to certain amendments, and, therefore, the Senator from Vermont does not oppose the bill.

Mr. McKELLAR. May we have a vote, Mr. President?

Mr. LONG. Mr. President, I am getting so many telegrams and telephone calls from newspapers and individuals on a new constitutional question which has arisen, as shown by the morning newspaper, that I consider it to be necessary to make a statement.

It seems that our Federal Government is going into more "new deals" all the time, and the latest of its activities is that of taking over the business of operating garbage collections and other departments in the city of New Orleans. Constitutional lawyers desire to know just where the authority comes by virtue of which the Federal Government can take over and run, as the Federal Government, the departments of the city of New Orleans, and to pay them out of the Federal funds. I wish to say that I have not undertaken to find any constitutional authority nor do I think anyone else has undertaken to find any such constitutional authority for such activities.

Further, I see from the newspaper reports—and all I know is from the public press, because I am not undertaking to keep myself informed on matters that do not concern me, and I am not concerned with the municipal affairs of the city of New Orleans nor am I concerned much with the F. E. R. A.—that the garbage men in New Orleans have struck against the F. E. R. A.

Mr. MINTON. Regular order, Mr. President.

Mr. LONG. I am talking; and that is the regular order. The Senator has something to learn about the rules that he does not know.

It seems from what I read in the newspapers that the Federal Government has got itself a strike down in my home city. It has taken over a department of the city government; it has taken over their pay roll, and it is paying their pay roll, and it is doing the municipal service of collecting the garbage off the streets every morning.

Mr. BARKLEY. Mr. President, if the Senator will yield, is the garbage to which he refers political or physical garbage? [Laughter.]

Mr. LONG. I do not think any of the forces of the Senator from Kentucky are down there yet. [Laughter.]

Mr. BARKLEY. I hope not.

Mr. LONG. Therefore, it must be physical garbage.

Mr. BARKLEY. If any of my constituents were down there I should like to rescue them.

Mr. LONG. I am afraid that if the Senator got among political garbage he could not leave that kind of kinfolk.

Mr. BARKLEY. Is that the reason the Senator goes back so often?

Mr. LONG. No; it is not. I go back not because of the city's political organization but of the State's political organization.

The point I am trying to bring to the Senate so that Senators may be able to answer their own constituents rather than have them wire me when similar things happen in their own cities. They have a strike down there, they say now, over wages the Government is paying the city employees. These men were getting around $90 to $100 a month from the city, but the Government comes in and says, "We are running this garbage department and if any of you do not do what we tell you you are violating the Government law which forbids Federal employees from being interfered with." A municipal garbage collector is a Federal employee, and they have cut his wages down there, and now, according to the newspapers, the garbage collectors are striking against the Government, and confusion exists, which I think Senators should acquaint themselves with, on the constitutional aspects, because of the fact that there are a number of cities which want the Federal Government to take over their pay rolls. My fellow Senators from other cities, such as New York, Philadelphia, and Chicago, will want their pay rolls taken over by the Federal Government, but the workers will not want their wages cut. It seems that we ought to get some uniformity about it.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Very well; I will cover it on another matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the amendment reported by the committee to House bill 6511.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JURISDICTION IN CIVIL SUITS

The bill (S. 2524) amending section 112 of the United States Code, annotated (title 28; subtitle, "Civil suits, where to be brought"), was announced as next in order.

Mr. LONG and Mr. AUSTIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. AUSTIN. Mr. President——

Mr. LONG. I have been recognized.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. LONG. I yield to my friend for a question, but I wish to complete the little observation I was making.

Mr. AUSTIN. I was going to suggest that the observation be made on some other bill. I am about to object to this bill on behalf of a Senator who is absent, the Senator from Pennsylvania [Mr. DAVIS], who is interested in the bill. I announce his absence, and object to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. I will ask that the bill go over at the conclusion of my remarks. I wish now to read from the Washington Post. The headline is:

Garbage men in New Orleans to strike again. Walkout set for today as collectors revolt at F. E. R. A. wages.

I want to make plain that this is a department of the government that I have not anything in the world to do with, neither with the F. E. R. A. of the United States Government, nor with the municipal department of the city of New Orleans. I want to clear my skirts to start with by saying that I have absolutely nothing whatever to do with the garbage department of the city of New Orleans or with the city government of New Orleans inside, outside, direct, or indirect, and that I have nothing to do with the F. E. R. A.

NEW ORLEANS, LA., June 24.—Garbage collectors here will strike again tomorrow rather than accept employment from the F. E. R. A., a spokesman announced late today.

Commissioner of Public Works Joseph P. Skelly said the jobs would be filled with other workers, so that the city's health would not be endangered as it was when garbage piled up in gutters during a 1-day strike last week.

The F. E. R. A. stepped in with Federal funds to end the strike last week—

I want Senators to listen to this:

The F. E. R. A. stepped in with Federal funds to end the strike last week by paying salaries of the garbage collectors the city couldn't pay. The city is in financial straits because of a political battle with Senator HUEY P. LONG.

In other words the city of New Orleans went broke fighting me. They spent their pay roll and spent all their money, this dispatch means, I guess, and therefore, having spent it all trying to beat the Long ticket, they have not any money to pay their workers. So the Federal Government went down there and put some money in the treasury to enable the city to fight the political campaign, and are now putting a little more in there. I want them to be satisfied one with the other. So I am going to read the remainder of this story:

The Kingfish's State administration has harassed the city treasury at every turn in an effort to drive out Mayor T. Semmes Walmsley.

Just how we have harassed the city treasury, I do not know. They asked the right to borrow money and the State itself joined in the request that they let them have the money, but still they would not let them have it, and the city went into bankruptcy. It filed a petition in the bankrupt court on the ground that it could not pay its debts, and now they say I am responsible for having harassed them somewhere. I have not harassed them. We cleaned their plow down there in the political campaign and we will do so the next time. They will need the whole $5,000,000,000 down there before they get through. This garbage money will not be a drop in the bucket. However, the Federal Government having taken over all the functions of the garbage department, the workers are striking against the F. E. R. A. today. Let me read the remainder of this article:

C. Parks, spokesman for the garbage collectors—

This is the Federal Government business now—

announced renewal of the strike tomorrow after a conference with Skelly late today.

Parks told Skelly the collectors wanted a 6-day week, time and a half for holiday work, and the regular city wage scale of $3 a day for helpers and $3.50 for drivers.

The men were put on a 5-day basis several months ago. The F. E. R. A. made its wage scale $10 a month under the old city schedule.

That shows how they cut the wages there. In order, they say, to keep the Long people from having anything to do with it, they cut the poor garbage collectors down to $10 a month. If the F. E. R. A. had not stepped in, they would have had to appeal to the State administration for help; but the city administration would rather have these poor workers under the F. E. R. A. at $10 a month, which is starvation, than to let them have a decent wage. So the Federal Government is down there in the strike-breaking business, con-

fusing the public and destroying confidence and running a municipality and sending big agents from Washington, D. C., to New Orleans to operate the garbage business.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired. Senate bill S. 2524 will be passed over.

LOSS OF CITIZENSHIP BY NATIVE-BORN WOMEN

The bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. JOHNSON. Mr. President, will the Senator withhold his objection for a moment? If his mind is set upon the matter, I will not waste time.

Mr. KING. My mind is set. I wish to prepare an amendment which has been suggested, and I have not had time to prepare it.

Mr. JOHNSON. Then, I will not waste time by making an explanation but will wait until the Senator shall have prepared the amendment.

Mr. KING. I have no objection to the Senator presenting his views.

Mr. JOHNSON. No; I will wait.

The PRESIDING OFFICER. The bill will be passed over.

PER CAPITA PAYMENT TO CHIPPEWA INDIANS

The bill (H. R. 4123) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States was announced as next in order.

Mr. LONG. Mr. President, this article continues:

Skelly insisted that other workers would be found to keep up the garbage collection without a lapse.

Paid only part of their wages this month and nearly 2 months behind since the first of the year the garbage collectors refused to work last Friday until something was done about their back pay.

In Washington—

In Washington—

Frank H. Peterman F. E. R. A. administrator for Louisiana, took over garbage collection as a F. E. R. A. project, together with nine other departments concerned with health.

This was interpreted in some quarters as a left-handed blow at LONG, enemy of the national administration. Mayor Walmsley has resisted LONG's State dictatorship, and this warfare brought the city into its present straitened financial circumstances.

In other words, the city of New Orleans is in strained financial circumstances because of the fact that they have not been with us. It can only be interpreted in one way. Our State administration is in no strained financial circumstances. We have a balanced budget and three or four million dollars in the treasury and we do not need any money from anybody. When the Federal Government sends us one of their ultimatums we tell the Federal Government where they can go to. We do not have to have them messing with us. They can go wherever they please, so far as we are concerned. But now, the city government is in financial embarrassment, a government which was elected to support the Roosevelt administration and to be against me; and they say that because they are not blood kin in politics to me they cannot get along. It is a sad commentary that Washington, D. C., is going to treat these brethren worse than others. So I think the Congress ought to have the information and Senators ought not to have me blamed for something for which I am not responsible. The Government will probably want to deduct this amount from the other work relief that we get in Louisiana. I do not want that done. I want Senators to see to it, if they have cities that think the Federal Government ought to pay their municipal pay rolls, that they should get busy and learn how we are doing it in Louisiana. Do not have your cities telephoning me and your newspapers wiring me. If you want to get public money, learn how to do it. If you do not want to put taxes on a city, if you do not want to carry your municipal pay roll, here is the way to get the money, but let us try to evolve a scheme which will not bring on a strike every time the Federal Government steps in and proposes to give the people $10 a week or $10 a month. Let us ask them to pay a man a wage that is consistent with what he was earning previously.

I have no concern with the city-government affairs. I have no concern with the administration's representatives down there. If they are meddling and having a strike, it is their business and not mine, but at some time they ought to be able to do something orderly and regularly, so that when they create disorder and confusion and pursue this kind of expected course, they will not blame me for their rashness and their unconstitutional activities which were expected to bring on this kind of furor in a place that does not need them and wishes they would step out and keep out. We would be glad if they would move everything they have in Louisiana clear out of it instead of having this kind of business.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield.

Mr. BLACK. Does the Senator want the Government to move everything out of Louisiana? We would be glad to have it up in Alabama.

Mr. LONG. Take it! We would be glad to have Alabama have it, if it is to be run like the relief.

Mr. BLACK. Does the Senator want the Federal land bank moved from Louisiana to Alabama?

Mr. LONG. We do not care what you take out of there that the Roosevelt administration has had anything to do with putting there.

Mr. BLACK. I understand the Senator is willing to move the Federal land bank out of New Orleans?

Mr. LONG. I have nothing to do with the Federal land bank.

Mr. BLACK. I want to be sure.

Mr. LONG. We would not care a rap or a snap of the finger if they should move the Federal land bank, if it is like the relief, and anything else the Roosevelt administration has down there. Take it all, and get out of there and stay out of there! [Laughter.]

Mr. BLACK. Does the Senator think with the approval of his people we can get it moved?

Mr. LONG. The administration has to have some jobholders down there, and anti-Long men hold those jobs and will keep the bank there.

Mr. BLACK. I should like to have the Federal land bank moved over to Alabama.

Mr. LONG. The Senator could not have it because of the anti-Long jobholders who are being sheltered down there. The administration has to keep those anti-Long men in jobs there, as the Senator knows.

Mr. BLACK. I understand the Senator expresses a willingness to move the Federal land bank away from New Orleans, and that he will help me get it for Alabama?

Mr. LONG. Oh, no. I say the anti-Long people will have to do something about it, and they would want to keep it there so they can hold their jobs.

Mr. BLACK. I thought the Senator was willing to have the Federal land bank moved out of New Orleans.

Mr. LONG. The Roosevelt administration did not put it down there.

Mr. BLACK. I understood the Senator to say he would be willing to have the Federal land bank moved out of New Orleans.

Mr. LONG. I do not care what they may do with it. So far as concerns me personally, other interests are best accommodated in New Orleans.

Mr. BLACK. Is the Senator willing to have it moved out of New Orleans?

Mr. LONG. I do not think there is anyone in Alabama who would know how to run our land bank. [Laughter.]

Mr. BLACK. The Senator has never answered my question. Does he state or express a willingness to have the Federal land bank moved out of New Orleans into some other State?

Mr. LONG. Anything the Roosevelt administration has put in New Orleans they can take out. That happens to be a Republican institution in New Orleans.

Mr. BLACK. Does the Senator want it to remain there?

Mr. LONG. The anti-Long people in Alabama and Mississippi would not be able to get it away from the anti-Long people in Louisiana.

Mr. BLACK. Is the Senator retreating from the position he first took when he said he would be glad to have the bank moved out of New Orleans?

Mr. LONG. I think we will be glad to have everything the Roosevelt administration has put in Louisiana taken out of there.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. BLACK. I have asked the Senator about the removal of the Federal land bank from New Orleans.

Mr. LONG. May I answer the Senator from Alabama in his own time?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. LONG. The Roosevelt administration did not put that bank there.

Mr. BLACK. Will it be all right to move it away?

Mr. LONG. I should not care if it were moved if it were not for others who need it.

Mr. BLACK. The Senator approves and would be glad to see it moved away?

Mr. LONG. I would not care if they took it over to Alabama, but they have no one there who is able to run it.

Mr. BLACK. We will let that take care of itself. Is the Senator willing to have the bank moved out of New Orleans?

Mr. McNARY. Mr. President, I ask for the regular order.

Mr. BLACK. I join in the request!

The PRESIDING OFFICER. The clerk will state again the bill which was last called.

PER CAPITA PAYMENTS TO CHIPPEWA INDIANS

The bill (H. R. 4123) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band, of Minnesota, from the timber funds standing to their credit in the Treasury of the United States, was announced as next in order.

Mr. KING. Let the bill go over.

Mr. SCHALL. Mr. President, may I ask the Senator the ground of his objection?

Mr. KING. I may say to the Senator from Minnesota that the Secretary of the Interior, with respect to the bill, made the following statement:

> In view of the amount of relief funds that has been allotted to the Red Lake jurisdiction and the cooperation extended by the State relief administration, it is believed that a per capita payment is not justified at this time, and that the small balance remaining to the credit of these Indians should be conserved for future beneficial use.

He recommends that the bill do not pass. Therefore I object to its present consideration.

Mr. FRAZIER. Mr. President, will the Senator from Utah withhold his objection to enable me to make a brief statement?

Mr. KING. Very well.

Mr. FRAZIER. The Secretary's report was made on the bill when it provided for a $25 per capita payment. After the amount was cut down to a $15 per capita payment, the Commissioner of Indian Affairs was favorable to it. The money comes out of the Indians' own funds. No money whatever is taken out of the Federal Treasury. It comes out of the Indian tribal funds, which come from the sale of their fish and timber. It is a cooperative plan on the reservation, as the Senator, of course, knows. The Indians are very strongly in favor of the measure.

Mr. KING. Does the Senator assure the Senate that Secretary Ickes has modified the views which he expressed in his letter dated March 9, 1935, in the paragraph which I read?

Mr. FRAZIER. I cannot say with regard to Secretary Ickes, but I know the Commissioner of Indian Affairs has changed his mind, and I presume he was instrumental in the writing of the report which was first drafted. The amount was cut down from $25 to $15 per capita payment. It comes out of the Indians' own money.

Mr. SCHALL. Mr. President, the Secretary's representative did say in my presence, when the bill was reported, that it was satisfactory.

Mr. KING. Was his attention challenged to the letter which he had written in opposition to the bill and was an explanation made as to why he changed his mind, if he has changed his mind?

Mr. SCHALL. The original bill provided for a $25 per capita payment. The funds were not sufficient to take care of that payment, but when the amount was reduced to $15 it was approved by Mr. Zimmerman, who appeared before the committee. This is a House bill.

Mr. KING. Before we conclude the call of the calendar during the day I shall confer with the Secretary of the Interior, and, if he has no objection, I shall have none.

The PRESIDING OFFICER. On objection of the Senator from Utah, the bill will be passed over.

Mr. FRAZIER subsequently said: Mr. President, I ask unanimous consent to recur to Calendar 894, House bill 4123, which is the Chippewa Indian bill, providing for a $15 per capita payment. The bill was reported from the Committee on Indian Affairs by the Senator from Minnesota [Mr. SCHALL]. When it was previously called on the calendar the Senator from Utah [Mr. KING] objected, but he has since told me he would withdraw his objection inasmuch as it is stated in the first part of the report that the Assistant Commissioner made the statement before the committee that the Secretary of the Interior had no objection to the bill in its present form.

The PRESIDING OFFICER. Is there objection to reverting to House bill 4123?

Mr. ROBINSON. Mr. President, the report of the Secretary of the Interior seems to be adverse, inasmuch as it says:

> In view of the amount of relief funds that has been allotted to the Red Lake jurisdiction and the cooperation extended by the State relief administration, it is believed that a per capita payment is not justified at this time, and that the small balance remaining to the credit of these Indians should be conserved for future beneficial use.

Mr. FRAZIER. The Senator from Utah referred to that statement when he made his objection. The bill as originally drawn carried a per capita payment of $25, but when it was reduced to $15 the Bureau of Indian Affairs withdrew all objection. The Assistant Commissioner stated that the Secretary would withdraw his objection. The payment is to be made out of the money belonging to the Indians.

Mr. ROBINSON. I do not think that is the proper way to make a record. The Secretary of the Interior makes a written report that a per capita payment is not justified, and then someone else comes in and says the Secretary has changed his mind. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SCHALL subsequently said: Mr. President, I ask unanimous consent to return to House bill 4123, which was objected to a few moments ago by the Senator from Arkansas [Mr. ROBINSON]. I understand he has withdrawn his objection.

The PRESIDING OFFICER. The Senator from Minnesota asks unanimous consent to recur to House bill 4123. Is there objection?

Mr. ROBINSON. Mr. President, it developed during the brief discussion of the bill a few moments ago that the Secretary of the Interior had submitted an adverse report upon it. The Senator from North Dakota [Mr. FRAZIER], however, stated that the amount of the proposed payment had been reduced from $25 to $15, and that it was represented by the Assistant Commissioner of Indian Affairs that the Secretary of the Interior had no objection to the bill in that form. In view of the statement of the Senator from North Dakota I do not wish to insist upon my objection, and so I withdraw it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4123) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the principal timber fund on deposit to the credit of the Red Lake Band of the Chippewa Indians of the State of Minnesota and to make therefrom payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota, immediately payable upon the passage of this act under such regulations as such Secretary shall prescribe. No payment shall be made under this act until the Chippewa Indians of the Red Lake Band of Minnesota shall, in such manner as such Secretary shall prescribe, have accepted such payments and ratified the provisions of this act. The money paid to the Indians under this act shall not be subject to any lien or claim of whatever nature against any of said Indians.

FILIPINO EMIGRATION FROM UNITED STATES

The bill (H. R. 6464) to provide means by which certain Filipinos can emigrate from the United States was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. JOHNSON. Mr. President, the design of the measure is to assist the Filipinos who are in distress, who are upon the relief roll or who are a charge upon the State at the present time, in returning to their own homes. It is not a deportation bill. It merely authorizes the Department, upon application, if they determine the case to be an appropriate one, to pay the transportation home of those people who are, now a charge in reality upon them. The Immigration Bureau approves it.

Mr. KING. Has the Senator any information as to the aggregate amount which will be required in order to transport this large army of Filipinos?

Mr. JOHNSON. I mistrust my memory, but I think the maximum sum which was suggested was $60,000. I am not as clear as I should be on that point, but that is my recollection.

Mr. KING. It does not provide for the deportation or transportation of all the Filipinos in the United States?

Mr. JOHNSON. Oh, by no means It is only those who shall so request.

Mr. KING. Very well; I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6464) to provide means by which certain Filipinos can emigrate from the United States, which had been reported from the Committee on Immigration with an amendment, in section 4, on page 3, line 13, after the word "States", to insert the words "except as a quota immigrant under the provisions of section 8 (a) (1) of the Philippine Independence Act of March 24, 1934, during the period such section 8 (a) (1) is applicable", so as to make the section read:

SEC. 4. No Filipino who receives the benefits of this act shall be entitled to return to the continental United States except as a quota immigrant under the provisions of section 8 (a) (1) of the Philippine Independence Act of March 24, 1934, during the period such section 8 (a) (1) is applicable.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INTERNATIONAL CONVENTION FOR PROTECTION OF INDUSTRIAL PROPERTY

The Senate proceeded to consider the bill (S. 1794) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925, which was read, as follows:

Be it enacted, etc., That section 4 of the Trade Mark Act of February 20, 1905 (U. S. C., title 15, sec. 84), as amended, be amended to read as follows:

"That an application for registration of a trade mark filed in this country by any person who has previously regularly filed in any foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States an application for registration of the same trade mark shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trade mark was first filed in such foreign country: *Provided*, That such application is filed in this country within 6 months from the date on which the application was first filed in such foreign country: *Provided further*, That subject to the provisions of section 5 of said Trade Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment: *And provided further*, That certificate of registration shall not be issued for any mark for registration of which application has been filed by an applicant located in a foreign country until such mark has been actually registered by the applicant in the country in which he is located."

Mr. LONG. Mr. President, I desire to say to my friend from Alabama [Mr. BLACK] that I am sure Birmingham, Montgomery, and Mobile would be glad to have some Federal money, as New Orleans is going to have its pay roll paid out of the Federal Treasury. To show my goodness of heart, I will join with the Senator in asking that those Alabama cities be given money as Louisiana is being given money.

Mr. KING. Mr. President, are there any members of the Patents Committee present who will explain the pending bill?

Mr. DUFFY. Mr. President, the Senator from California [Mr. MCADOO], the chairman of the committee, was called out of the Chamber. He asked me, if a question should be raised about this bill, to explain it, and also the bill which follows it on the calendar.

Mr. KING. I shall be very glad to have the Senator do so.

Mr. DUFFY. It is merely a technical matter. We have adhered to the International Convention for the Protection of Industrial Property, which was ratified years ago. There is a discrepancy in the matter of the period of priority between the convention which we joined, which provides for 6 months, and our own law, which provides for 4 months. This bill is merely to make our own law comply with the provisions of the convention. The bill has the approval of the Commissioner of Patents and the Secretary of State and there seems to be no objection whatsoever to it.

Mr. VANDENBERG. Mr. President, this is not the bill which involves the proposed amendment respecting copyright designs, with which the Senator is familiar?

Mr. DUFFY. It is not. This is another matter.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The Senate proceeded to consider the bill (S. 1795) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925, which was read, as follows:

Be it enacted, etc., That section 4887 of the Revised Statutes (U. S. C., title 35, sec. 32) be amended to read as follows:

"No person otherwise entitled thereto shall be debarred from receiving a patent for his invention or discovery, nor shall any patent be declared invalid by reason of its having been first patented or caused to be patented by the inventor or his legal representatives or assigns in a foreign country, unless the application for said foreign patent was filed more than 12 months, in cases within the provisions of section 4886 of the Revised Statutes, and 6 months in cases of designs, prior to the filing of the application in this country, in which case no patent shall be granted in this country.

"An application for patent for an invention or discovery or for a design filed in this country by any person who has previously regularly filed an application for a patent for the same invention, discovery, or design in a foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States shall have the same force and effect as the same application would have if filed in this country on the date on which the application for patent for the same invention, discovery, or design was first filed in such foreign country: *Provided*, That the application in this country is filed within 12 months in cases within the provisions of section 4886 of the Revised Statutes, and within 6 months in cases of designs, from the earliest date on which any such foreign application was filed. But no patent shall be granted on an application for patent for an invention or discovery or a design which had

been patented or described in a printed publication in this or any foreign country more than 2 years before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country for more than 2 years prior to such filing."

Mr. DUFFY. Mr. President, I will say to the Senator from Utah and others that exactly the same situation confronts us in this bill as in the preceding one. It is to remove a discrepancy between our present law and the convention to which we are a party. Our law provides for a period of 4 months, and the convention provides for a period of 6 months.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHOCTAW AND CHICKASAW NATIONS OR TRIBES

The bill (S. 1440) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes was announced as next in order.

Mr. KING. Mr. President, I will state to the Senator from North Dakota [Mr. FRAZIER] that the Assistant Secretary of the Interior has made a recommendation against this measure with rather a long explanation.

Mr. FRAZIER. Mr. President, I realize that to be true; and some of the Choctaw Indians in Oklahoma also objected to opening the rolls.

These rolls were supposed to have been closed back about 1898 by the Dawes Commission. Hearings were held there for some time; and the work of the Dawes Commission was not satisfactory. Then some court was named to go into the matter further, and that was done. Afterward, along about 1916 or 1918, a law was passed to reopen the rolls, and I think two or three hundred Indians were put on the rolls at that time. That is the last time the rolls were opened.

The grandfather of these four Indians volunteered in the Civil War from the South, and was killed in Kansas. Their grandmother, who was at least a half-blood, or nearly a full-blooded Indian, was murdered, according to the statement; and the children, including the mother of these children who are asking to be put on the rolls, went back to Oklahoma, but failed to get on the rolls, and they were neglected. Hearings were held before a subcommittee. It seems to the members of the committee that they are entitled to be placed on the rolls. Bills for the purpose were introduced in several Congresses, and we believe these Indians are entitled to consideration. After full hearings by the subcommittee, they reported to the full committee, and the full committee reported favorably to the passage of the bill.

Mr. KING. Mr. President, in view of the strong recommendation against the bill, together with the accumulated evidence, which seems to justify the opposition of the Department, and the further statement in the report that various, quite contradictory claims have been made as to the status of these Indians and their origin, I feel constrained to object. I shall make further inquiry; and at the next call of the calendar, if I have no additional information, I shall not object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

OHIO RIVER BRIDGE, CANNELTON, IND.

The bill (S. 2887) authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Perry County Bridge Commission of Perry County, Ind., be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interest of navigation, at or near Cannelton, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Perry County Bridge Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Perry County Bridge Commission is hereby authorized to fix and charge tolls for transit over such bridge, the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

GRACE M'CLURE

The bill (H. R. 1292) for the relief of Grace McClure was considered, ordered to a third reading, read the third time, and passed.

NOBLE COUNTY (OHIO) AGRICULTURAL SOCIETY

The bill (H. R. 4651) for the relief of the Noble County (Ohio) Agricultural Society, was considered, ordered to a third reading, read the third time, and passed.

GEORGE WILLIAM HENNING

The Senate proceeded to consider the bill (H. R. 2125) for the relief of George William Henning, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$3,000" and insert "$1,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 to George William Henning in full settlement of all his claims against the Government of the United States for injuries received by him on the 14th day of March 1932, when an automobile, being driven by him in a lawful manner, was run into by an ambulance owned by the Navy Department of the United States, then and there being operated by one W. Thomas, a member of the United States Marine Corps, in a negligent and reckless manner: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JULIAN C. DORR

The bill (H. R. 4105) for the relief of Julian C. Dorr was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 4838) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department was announced as next in order.

Mr. KING. May we have an explanation of this bill? Does any member of the Claims Committee care to explain it? [A pause.] Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 3337) for the relief of James Akeroyd & Co. was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

HENRY C. ZELLER AND EDWARD G. ZELLER

The bill (S. 1139) for the relief of Henry C. Zeller and Edward G. Zeller with respect to the maintenance of suit against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period, was announced as next in order.

Mr. KING. Let that go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Yes. I will say to the Senator from New York that I understand the Treasury Department has reported adversely.

Mr. COPELAND. It did so a year ago; but, if the Senator will look above the Treasury Department's report, he will see that the Committee on Claims makes this positive statement:

The facts in this case disclose that the taxpayer did everything necessary to protect his rights to a refund for the admitted overpayment of taxes.

The relief sought in this bill is to permit the taxpayer to institute suit in the Court of Claims for the amount admittedly owing to the taxpayer and now in the hands of the Government.

Mr. KING. May I read what Mr. Gibbons, the Acting Secretary of the Treasury, states?

Mr. COPELAND. Yes.

Mr. KING. He says:

Under the circumstances there appears to be no reason why any special treatment should be accorded this taxpayer. If, without regard to whether a timely claim may be amended, the claim filed in this case was not a claim in praesenti, as held by the Court, but one which was to become effective as such as at some future date, there is no more reason for making an exception to the statute of limitations in this case than there is in numerous other cases in which the taxpayers failed to present their claims until after they had become barred.

The Treasury Department opposes the enactment of H. R. 6649 for the reasons indicated above.

I have read only one paragraph from the rather long letter of the Acting Secretary of the Treasury.

Mr. COPELAND. That letter was before the Committee on Claims; and if the Senator will turn to the first page of the report, he will find that it refers to the various steps which were taken to extend the period for filing claims. Then finally, in another case about which we have heard a good deal, a case which was reconsidered in the light of the decision of the Court of Claims in the case of Strong against the United States, suit was instituted in the district court, where the plaintiffs were defeated, and after denying a writ of certiorari in the case the Supreme Court granted a writ of certiorari to refer other cases involving precisely the same question.

Therefore the Committee on Claims took the view, as stated here, that the facts in this case disclose that the taxpayers actually did everything to protect their rights to a refund of an admitted overpayment of taxes. It seems to me that, as a matter of justice, the taxpayers should be permitted to go to the Court of Claims and establish their claim, if they have one.

Mr. KING. Mr. President, may I ask whether there has been a more recent statement by the Treasury Department in regard to this matter?

Mr. COPELAND. I cannot say as to that. The Senator from Vermont [Mr. GIBSON] is not here at this time, but he told me that the matter was discussed at considerable length in the Committee on Claims. I was not present, because I am not a member of that committee, but the Senator from Vermont told me they took the unanimous view that this was the proper action to be taken, apparently in view of some information more recent than the letter of the Acting Secretary, written more than a year ago.

Mr. KING. Mr. President, I shall consent that the bill be passed, but with the understanding that the Senator or myself—and I hope he will do it—will communicate during the day with the Secretary of the Treasury and challenge attention to the former report; and if the Secretary of the Treasury still adheres to the position there taken, that the Senator, upon his own motion, will move to reconsider.

Mr. COPELAND. That is perfectly agreeable.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 2, line 15, after the word "overpayment", to strike out the words "with interest at 6 percent from the date of payment", so as to make the bill read:

Be it enacted, etc., That the time within which suits may be instituted by Henry C. Zeller and Edward G. Zeller of the city of Buffalo, in the State of New York, doing business under the name and style of G. F. Zeller's Sons, against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for said period, be, and the same is hereby, extended to October 1, 1935, and jurisdiction is hereby conferred upon the Court of Claims of the United States, and it is hereby authorized and directed to hear and determine on the merits any suit commenced therein against the United States prior to October 1, 1935, for the recovery of any overpayment of such taxes, any finding, determination, judgment, rule of law, or statute to the contrary notwithstanding.

And, if it shall be found in any such suit that such tax has been overpaid, the court shall render final judgment against the United States and in favor of said taxpayer for the amount of such overpayment, such judgment to be subject to review by the Supreme Court of the United States as in other cases.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE W. MILLER

The bill (H. R. 4811) for the relief of George W. Miller, was considered, ordered to a third reading, read the third time, and passed.

RUFUS HUNTER BLACKWELL, JR.

The Senate proceeded to consider the bill (H. R. 3230) for the relief of Rufus Hunter Blackwell, Jr., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$2,755.25" and to insert in lieu thereof "$2,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rufus Hunter Blackwell, Jr., of Waynesville, Haywood County, N. C., the sum of $2,000, in full settlement of all claims against the United States for injuries sustained by the said Rufus Hunter Blackwell, Jr., on March 11, 1920, due to an airplane owned by the United States Government and operated by an officer of the United States Army, while engaged in practice flying at Taylor Field, Montgomery, Ala., striking the said Rufus Hunter Blackwell, Jr., in such a manner and way as to injure the said Rufus Hunter Blackwell, Jr., breaking his right leg, and caused him to be permanently injured: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOHN J. MORAN

The bill (H. R. 4610) for the relief of John J. Moran was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4146) for the relief of Mrs. Olin H. Reed was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? If not, let it go over.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

CHARLES SZYMANSKI

The bill (H. R. 4034) for the relief of Charles Szymanski was considered, ordered to a third reading, read the third time, and passed.

SOPHIE CARTER

The bill (H. R. 3556) for the relief of Sophie Carter was considered, ordered to a third reading, read the third time, and passed.

RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Senate proceeded to consider the bill (H. R. 4808) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.

Mr. McKELLAR. Mr. President, it appears that this bill has already been passed, and it ought to be withdrawn.

The PRESIDING OFFICER. The Chair is advised that this is a different bill from the one to which the Senator refers. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MEDICINE BOW NATIONAL FOREST, WYO.

The Senate proceeded to consider the bill (S. 2695) to add certain lands to the Medicine Bow National Forest, Wyo., which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 5, after the word "law", to insert the words "and regulations", so as to read:

That the following-described lands are hereby added to the Medicine Bow National Forest, Wyo., and made subject to all laws and regulations—

And so forth.

The amendment was agreed to.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 915, being Senate bill 2695.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. McKELLAR. Mr. President, at the time the bill was previously called I asked for an explanation, which was not forthcoming. Since that time, however, the Senator from Wyoming has explained the matter to me, and I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate resumed the consideration of the bill (S. 2695) to add certain lands to the Medicine Bow National Forest, Wyo.

The PRESIDING OFFICER. The next amendment reported by the Committee on Public Lands and Surveys will be stated.

The next amendment was, on page 1, line 5, after the words "applicable to", to strike out the words "national forests" and insert "such forest", and in line 6, after the word "existing", to strike out "claims, locations, entries, or applications under the laws of the United States or the State of Wyoming, whether for homestead, mineral, rights-of-way, water rights and uses, or any purpose whatsoever, and subject to the right of any such claimant, locator, entryman, permittee, or applicant to the full use and employment of his lands, water, or", so as to make the bill read:

Be it enacted, etc., That the following-described lands are hereby added to the Medicine Bow National Forest, Wyo., and made subject to all laws and regulations applicable to such forest, and subject to all valid existing rights:

Sections 4 to 9, inclusive; sections 17 to 19, inclusive, township 24 north, range 70 west, sixth principal meridian.

Sections 4 to 9, inclusive; section 18, township 25 north, range 70 west, sixth principal meridian.

Sections 6 and 7; sections 19 to 21, inclusive; sections 28 to 33, inclusive, township 26 north, range 70 west, sixth principal meridian.

South half section 7; south half section 8; south half section 9; sections 16 to 19, inclusive; sections 30 and 31, township 27 north, range 70 west, sixth principal meridian.

Sections 6, 7, 18, 19, and 30, township 28 north, range 70 west, sixth principal meridian.

Sections 1 to 4, inclusive; sections 8 to 17, inclusive; sections 20 to 28, inclusive; sections 33 to 36, inclusive, township 24 north, range 71 west, sixth principal meridian.

Sections 1 to 5, inclusive; east half section 6; east half section 7; sections 8 to 16, inclusive; sections 21 to 28, inclusive; sections 33 to 36, inclusive, township 25 north, range 71 west, sixth principal meridian.

Sections 1 to 30, inclusive; east half and east half west half section 31; sections 32 to 36, inclusive, township 26 north, range 71 west, sixth principal meridian.

Sections 3 to 10, inclusive; sections 13 to 36, inclusive, township 27 north, range 71 west, sixth principal meridian.

Sections 1 to 5, inclusive; sections 8 to 15, inclusive; sections 21 to 34, inclusive, township 28 north, range 71 west, sixth principal meridian.

Sections 35 and 36, township 29 north, range 71 west, sixth principal meridian.

Sections 1 to 31, inclusive, township 26 north, range 72 west, sixth principal meridian.

Entire township, township 27 north, range 72 west, sixth principal meridian.

Sections 7 to 10, inclusive; sections 15 to 23, inclusive; sections 25 to 36, inclusive, township 28 north, range 72 west, sixth principal meridian.

Sections 2 and 3, township 25 north, range 73 west, sixth principal meridian.

Entire township, township 26 north, range 73 west, sixth principal meridian.

Entire township, township 27 north, range 73 west, sixth principal meridian.

Entire township, township 28 north, range 73 west, sixth principal meridian.

Sections 5 to 10, inclusive; sections 15 to 22, inclusive; sections 26 to 36, inclusive, township 29 north, range 73 west, sixth principal meridian.

Section 31, township 30 north, range 73 west, sixth principal meridian.

Sections 1, 12, 13, 24, 25, and 36, township 26 north, range 74 west, sixth principal meridian.

Section 1; east half section 11; sections 12 to 14, inclusive; sections 23 to 26, inclusive; north half section 35; section 36, township 27 north, range 74 west, sixth principal meridian.

Section 1; sections 5 to 8, inclusive; sections 12 to 25, inclusive; sections 27 to 31, inclusive; section 36, township 28 north, range 74 west, sixth principal meridian.

Section 1; east half section 2; sections 11 to 14, inclusive; sections 18 and 19; east half section 23; sections 24 and 25; sections 29 to 32, inclusive; section 36, township 29 north, range 74 west, sixth principal meridian.

Section 36, township 30 north, range 74 west, sixth principal meridian.

Sections 1 to 18, inclusive; sections 20 to 28, inclusive; sections 34 to 36, inclusive, township 28 north, range 75 west, sixth principal meridian.

Sections 2 to 36, inclusive, township 29 north, range 75 west, sixth principal meridian.

Sections 3 to 5, inclusive; sections 8 to 11, inclusive; sections 13 to 24, inclusive; sections 26 to 35, inclusive, township 30 north, range 75 west, sixth principal meridian.

Sections 1 to 28, inclusive; sections 35 and 36, township 29 north, range 76 west, sixth principal meridian.

Sections 2 to 10, inclusive; sections 15 to 36, inclusive, township 30 north, range 76 west, sixth principal meridian.

Sections 20 to 22, inclusive; sections 27 to 35, inclusive; township 31 north, range 76 west, sixth principal meridian.

Sections 1 to 3, inclusive; section 12; east half section 13, township 29 north, range 77 west, sixth principal meridian.

Sections 1 to 3, inclusive; east half section 4; east half section 9; sections 10 to 36, inclusive, township 30 north, range 77 west, sixth principal meridian.

East half section 16; east half section 21; east half section 28; east half section 33; sections 15, 22, 26, 27, 34, 35, 36, township 31 north, range 77 west, sixth principal meridian.

Sections 13, 14, 23, and 24, township 30 north, range 78 west, sixth principal meridian.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

USE OF AMERICAN VESSELS IN COASTWISE TRADE

The Senate proceeded to consider the bill (H. R. 115) to amend section 27 of the Merchant Marine Act of 1920, which was read, as follows:

Be it enacted, etc., That section 27 of the Merchant Marine Act, 1920 (U. S. C., title 46, sec. 883), is amended to read as follows:

"SEC. 27. That no merchandise shall be transported by water, or by land and water, on penalty of forfeiture thereof, between points in the United States, including Districts, Territories, and possessions thereof embraced within the coastwise laws, either directly or via a foreign port, or for any part of the transportation, in any other vessel than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States, or vessels to which the privilege of engaging in the coastwise trade is extended by sections 18 or 22 of this act: *Pro-*

vided, That no vessel having at any time acquired the lawful right to engage in the coastwise trade, either by virtue of having been built in, or documented under the laws of the United States, and later sold foreign in whole or in part, or placed under foreign registry, shall hereafter acquire the right to engage in the coastwise trade: *Provided further*, That this section shall not apply to merchandise transported between points within the continental United States, excluding Alaska, over through routes heretofore or hereafter recognized by the Interstate Commerce Commission for which routes rate tariffs have been or shall hereafter be filed with said Commission when such routes are in part over Canadian rail lines and their own or other connecting water facilities: *Provided further*, That this section shall not become effective upon the Yukon River until the Alaska Railroad shall be completed and the Shipping Board shall find that proper facilities will be furnished for transportation by persons citizens of the United States for properly handling the traffic: *Provided further*, That this section shall not apply to the transportation of merchandise loaded on railroad cars or to motor vehicles with or without trailers, and with their passengers or contents when accompanied by the operator thereof, when such railroad cars or motor vehicles are transported in any railroad car ferry operated between fixed termini on the Great Lakes as a part of a rail route, if such car ferry is owned by a common carrier by water and operated as part of a rail route with the approval of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail and if such car ferry is built in and documented under the laws of the United States."

Mr. McKELLAR. Mr. President, I should like to have an explanation of this bill.

Mr. VANDENBERG. Mr. President, the explanation of the bill is contained in a single sentence which the Senator will find on page 4 of the report from the Department of Commerce. I read:

> The effect of the proposed amendment will be to exclude un-American vessels, all of which are obsolete or otherwise undesirable, from again acquiring the right to engage in the coastwise trade of the United States and will thus tend to stimulate construction of new tonnage in American yards.

In other words, the sole purpose is to prevent the repatriation of old ships which originally qualified for the coastwise trade and have been sold and are trying to return.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

COAST GUARD STATION AT TAFT, OREG.

The Senate proceeded to consider the bill (S. 501) to provide for the establishment of a Coast Guard station on the coast of Oregon at or near Taft, Oreg., which was read, as follows:

> *Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to establish a Coast Guard station on the coast of Oregon, at or near Taft, Oreg., at such point as the Commandant of the Coast Guard may recommend.

Mr. McKELLAR. Mr. President, may I ask the Senator from Oregon whether the Department did not report against this bill?

Mr. STEIWER. No, Mr. President; the Coast Guard Service is in favor of the bill. The Treasury itself is in favor of it. The service interests which favor the bill would like to have the station constructed. There is a report submitted by the Senator from New York [Mr. COPELAND] just following the bill, and I read from the report this language:

> The bill has the approval of the Treasury Department, as will appear by the annexed communication.

Mr. McKELLAR. Mr. President, I read this from the report of Secretary Morgenthau:

> I, therefore, recommend against the passage of the bill at this time.

Let me ask the Senator: What will the station cost?

Mr. STEIWER. It is a small station, and the cost will not be very considerable. I think the Senator from New York can advise the Senator better than can I.

Mr. COPELAND. Mr. President, it is a very small sum, I should say fifteen or twenty thousand dollars. The only objection the Treasury Department had to the bill was that it directed that this work be done, and the Senator well knows how under the financial plan of the President this or that is objected to. There is full agreement on the part of all concerned that it should be done. The Secretary of the Treasury did suggest that the words "and directed" be stricken out, so that there would be merely an authorization.

Mr. McKELLAR. Would not that be the better way to pass it? Would not the Senator accept an amendment to strike out the words "and directed"?

Mr. STEIWER. Mr. President, I think that if that should be done the influence of the Budget would probably prevent the construction of the station.

Mr. McKELLAR. If it will cost only a small amount, I imagine it would be very much easier to have it established. What sort of a place is Taft; how large a place?

Mr. STEIWER. The place itself is a small community, but it is located on a little bay called "Siletz Bay." The report of the Coast Guard Service discloses that in 1934 a neighboring station, which is too far away to render effective service, was called upon 11 times to render aid to vessels in distress in the neighborhood of the mouth of Siletz Bay. In the last 10 years four and a half million dollars of commerce went out of that little bay. I know there is a very real necessity for this station.

Mr. McKELLAR. If the Senator will accept an amendment to strike out the words "and directed", I will agree to the bill being passed.

Mr. COPELAND. Mr. President, before the Senator presses that suggestion, let me say that this is a life-saving matter; the station is for the saving of life, and the Coast Guard takes the view that it should be established.

Mr. McKELLAR. If it wants it, it will be constructed, but authorizing it is as far as we ought to go, because we do not know of our own knowledge that lives will be saved by the establishment of the station. The Department will know about it, so let us authorize them to do it. I should think that would be all that would be necessary. I hope the Senator will accept the amendment.

Mr. STEIWER. I am reluctant to do so, and I hope the Senator will not insist upon it.

Mr. McKELLAR. I do not think we ought to build a station there over the better judgment of the Department, or those who have charge of it. If the Department is in favor of it, if they are authorized to do it, I have no doubt it will be established.

Mr. STEIWER. Even though the Department is in favor of it, if the Bureau of the Budget are in opposition to it, they will prevent it being done. This bill, if I may say so to the Senator from Tennessee, meets the desires of the Coast Guard Service.

Mr. McKELLAR. If we authorize it and the recommendation is sent to us by the Department, it will certainly be provided for by the Committee on Appropriations, as the Senator knows, since he is a member of that committee. He knows it will be done if they recommend it, and I hope he will accept the amendment to strike out the words "and directed", because we do not know of our own knowledge that this ought to be done.

Mr. STEIWER. Mr. President, I do not want this little bill defeated on account of a matter of that sort, and while I am reluctant to accept the amendment, I will do so in order that the bill may be enacted.

The PRESIDING OFFICER. The Senator from Tennessee offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 1, line 3, after the word "authorized", it is proposed to strike out the words "and directed."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the establishment of a Coast Guard station on the coast of Oregon at or near Taft, Oreg."

DISTRICT OF COLUMBIA LEGISLATION

Mr. KING. Mr. President, I desire to ask a favor of the Senate. In 10 minutes I shall be compelled to attend a meeting of the members of the Committee on Finance. There are a number of bills on the calendar which were unanimously reported from the Committee on the District of Columbia. If there is any objection to any of them, of course, I shall not ask for their consideration. I ask unanimous consent that I may recur to those bills while the Senator from New York [Mr. COPELAND], a member of the committee, and I are here, and take them up out of order.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

RAILROAD RETIREMENT BOARD

Mr. WAGNER. Mr. President, I ask unanimous consent to recur to Calendar No. 929, being Senate Joint Resolution 144. I am sure there is no objection to the passage of the joint resolution. Will the Senator from Utah [Mr. KING] object if we consider it before he takes up the District of Columbia bills?

The bill simply extends the time of the Railroad Retirement Board for a period of 60 days and authorizes an appropriation simply to enable the business of the organization to be wound up.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 144) to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

Mr. McKELLAR. Mr. President, I have not had time to read the joint resolution. What does it provide?

Mr. WAGNER. It simply extends the time of the Board. Under the Supreme Court Decision the Railway Retirement Board was abolished. The law was declared unconstitutional. During the time the Board functioned it collected a number of records and a great amount of data, some of which must be transferred to other departments and some of which must be returned to the sources from which they were received.

Mr. McKELLAR. It would take about 60 days to complete this work?

Mr. WAGNER. Yes; it has been estimated that it would take about 60 days to complete the work. The joint resolution authorizes an appropriation.

Mr. McKELLAR. Does the joint resolution provide for the abolition of the Board at the end of the 60 days?

Mr. WAGNER. It provides that the Board shall continue for 60 days. In other words, it is now abolished. The joint resolution simply revives it for a period of 60 days.

Mr. McKELLAR. I have examined the joint resolution hurriedly and have no objection to it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the Railroad Retirement Board was established and organized as an independent agency in the executive branch of the Government by and pursuant to section 9 of the Railroad Retirement Act, which act has been held by the Supreme Court of the United States to be invalid; and

Whereas the Railroad Retirement Board in the performance of its duties has acquired valuable data, records, information, and experience which should be utilized in determining the policy of Congress regarding the subjects of employment by railroads and the retirement of employees of railroads; and

Whereas the Board has records of individual employments which are of great value and should be preserved, and has, in the course of its work, received valuable records and documents which must be returned to their owners after the information contained therein shall have been noted and photostatic copies where necessary, shall have been made: Now, therefore, be it

Resolved, etc., That the Railroad Retirement Board as established in section 9 of the Railroad Retirement Act (Public, No. 485, 73d Cong.) and the appointment and compensation of its members and the employment and compensation of its staff are hereby approved, ratified, and confirmed to all intents and purposes as if the provisions of section 9 relating thereto had on the day of their enactment been enacted as a statute distinct and separate from any other provisions of the Railroad Retirement Act aforesaid; and no member of the Board or of its staff shall be liable for any action heretofore taken within the terms of the authority sought to be granted by the Railroad Retirement Act.

SEC. 2. The Railroad Retirement Board as established by and pursuant to section 9 of the Railroad Retirement Act and section 1 hereof is hereby continued for a period of 60 days from the enactment hereof for the purpose of liquidating its affairs; returning documents in its possession to those from whom they were procured and whose property they are, after recording therefrom such information as in its judgment should be preserved or making photostatic copies thereof, where necessary; arranging for turning over the records, papers, and property of the Board to such agency as the President shall designate; and making a report upon its activities and experience to the President for transmission to Congress.

SEC. 3. The Board shall maintain such offices, use such equipment, furnishings, supplies, services, and facilities and employ such persons as in its judgment may be necessary for the proper discharge of its duties.

SEC. 4. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, $35,000 to pay to the Board and its employees for services heretofore rendered on, prior to, and subsequent to May 6, 1935, and for services to be rendered during the next 60 days after the enactment hereof, the compensation to which they would have been entitled for such services if the Railroad Retirement Act had been held constitutional, and to pay any expenses heretofore incurred and not yet paid and the expenses necessary in carrying out this joint resolution.

SEC. 5. The Board is hereby authorized and directed to refund to its past and present employees and to its members all compensation earned by them but withheld as employee contributions to the railroad retirement fund and deposited to the credit of said fund in the Treasury, and said fund is hereby appropriated and made available for such refundments accordingly.

The preamble was agreed to.

PREVENTION OF SMOKE NUISANCE IN THE DISTRICT

Mr. KING. Mr. President, I appreciate the courtesy which has been extended by the Senate. I first invite the attention of the Senate to Calendar No. 975, being Senate bill 2034. This bill has received the consideration of the committee and the representatives of the various departments of the District of Columbia, and it has been unanimously reported.

The Senate proceeded to consider the bill (S. 2034) to prevent the fouling of the atmosphere in the District of Columbia by smoke and other foreign substances, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, on page 1, line 3, after the enacting clause, to strike out:

That the emission of unnecessary smoke, noxious gases, cinders, or dust into the atmosphere within the District of Columbia is hereby declared to be unlawful and a menace to public health and safety.

And to insert in lieu thereof:

That no person shall cause, suffer, or allow dense smoke to be discharged from any building, vessel, stationary or locomotive engine, or motor vehicle, place, or premises within the District of Columbia or upon the waters adjacent thereto, within the jurisdiction of said District. All persons participating in any violation of this provision, either as proprietors, owners, tenants, managers, superintendents, captains, engineers, firemen, or motor-vehicle operators, or otherwise, shall be severally liable therefor. The owners, lessees, tenants, occupants, and managers of every building, vessel, or place in or upon which a locomotive or stationary engine, furnace, or boiler is used shall cause all ashes, cinders, rubbish, dirt, and refuse to be removed to some proper place, so that the same shall not accumulate, nor shall any persons cause, suffer, or allow cinders, dust, gas, steam, or offensive or noisome odors to escape or to be discharged from any such building, vessel, or place, to the detriment or annoyance of any person or persons not being therein or thereupon engaged.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 18, after the word "reasonable", to insert "classifications and", so as to make the section read:

SEC. 2. The Commissioners of the District of Columbia are hereby authorized and directed to make and promulgate reasonable classifications and regulations for the installation and operation of combustion and all other devices susceptible for use in such manner as to violate the purposes of this act, and the said Commis-

sioners may from time to time alter, amend, or rescind such regulations and promulgate such amended or additional regulations as they may in their discretion deem necessary.

The amendment was agreed to.

The next amendment was, in section 4, page 3, line 9, after the word "direct", to insert the words "the police department, the health department, or"; in line 11, after the words "service as", to strike out "inspector or otherwise" and to insert in lieu thereof the word "necessary"; in line 12, after the word "enforcement", to strike out "as they may deem necessary"; and at the end of the section to insert "Appropriations are hereby authorized to be made to carry out the purposes of this act, and the Commissioners of the District of Columbia are authorized to include in their annual estimates provision for the expenses incident to such purposes and for personnel subject to the limitations of the Personnel Classification Act of 1923", so as to make the section read:

SEC. 4. The Commissioners of the District of Columbia shall be responsible for the enforcement of this act and may direct the police department, the health department, or any officer or employee of the government of the District of Columbia to perform such service as necessary in connection with such enforcement. Appropriations are hereby authorized to be made to carry out the purposes of this act, and the Commissioners of the District of Columbia are authorized to include in their annual estimates provision for the expenses incident to such purposes and for personnel subject to the limitations of the Personnel Classification Act of 1923.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no person shall cause, suffer, or allow dense smoke to be discharged from any building, vessel, stationary or locomotive engine, or motor vehicle, place, or premises within the District of Columbia or upon the waters adjacent thereto, within the jurisdiction of said District. All persons participating in any violation of this provision, either as proprietors, owners, tenants, managers, superintendents, captains, engineers, firemen, or motor-vehicle operators, or otherwise, shall be severally liable therefor. The owners, lessees, tenants, occupants, and managers of every building, vessel, or place in or upon which a locomotive or stationary engine, furnace, or boiler is used shall cause all ashes, cinders, rubbish, dirt, and refuse to be removed to some proper place, so that the same shall not accumulate, nor shall any persons cause, suffer, or allow cinders, dust, gas, steam, or offensive or noisome odors to escape or to be discharged from any such building, vessel, or place, to the detriment or annoyance of any person or persons not being therein or thereupon engaged.

SEC. 2. The Commissioners of the District of Columbia are hereby authorized and directed to make and promulgate reasonable classifications and regulations for the installation and operation of combustion and all other devices susceptible for use in such manner as to violate the purposes of this act, and the said Commissioners may from time to time alter, amend, or rescind such regulations and promulgate such amended or additional regulations as they may in their discretion deem necessary.

SEC. 3. Enforcement of this act shall be upon information by the corporation counsel in the police court of the District of Columbia. Any person convicted of violating this act or any regulation of the Commissioners made hereunder shall be punished by a fine not to exceed $500 for each and every such offense.

SEC. 4. The Commissioners of the District of Columbia shall be responsible for the enforcement of this act and may direct the police department, the health department, or any officer or employee of the government of the District of Columbia to perform such service as necessary in connection with such enforcement. Appropriations are hereby authorized to be made to carry out the purposes of this act, and the Commissioners of the District of Columbia are authorized to include in their annual estimates provision for the expenses incident to such purposes and for personnel subject to the limitations of the Personnel Classification Act of 1923.

SEC. 5. All provisions of the act approved February 2, 1899 (30 Stat. 812, ch. 79, sec. 5), which are inconsistent with this act are hereby repealed.

ABANDONMENT OF RAILWAY STATION

Mr. KING. I invite attention, Mr. President, to Calendar No. 981, Senate bill 2830. The bill merely provides for the abandonment of a substation where only a few persons are accommodated, and the provision of substitute facilities and proper accommodations for passengers. It is unanimously reported from the committee.

The Senate proceeded to consider the bill (S. 2830) to repeal sections 1, 2, and 3 of Public Law No. 203, Sixtieth Congress, approved February 3, 1909, which had been reported from the Committee on the District of Columbia with an amendment, on page 1, line 5, after the word "repealed", to strike out "and the substation and facilities therein provided for may be abandoned and discontinued without any further or other authority" and to insert certain words, so as to make the bill read:

Be it enacted, etc., That sections 1, 2, and 3 of Public Law No. 203, Sixtieth Congress, approved February 3, 1909, are hereby repealed; and, upon the completion by it of the substitute facilities authorized by section 2 hereof, the Philadelphia, Baltimore & Washington Railroad Co. is authorized, without any further or other authority, to abandon and remove the Seventh Street substation built and maintained by it pursuant to the requirements of said act of February 3, 1909, and to abandon the ticket agency and baggage accommodations maintained by it pursuant to the requirements of said act.

SEC. 2. That in lieu of the said substation and facilities maintained at the intersection of Seventh Street and C Street SW., in the city of Washington, the Philadelphia, Baltimore & Washington Railroad Co. is authorized to construct and maintain on the train platform an enclosed waiting room for passengers, with convenient means of ingress and egress leading from and to the street level below.

SEC. 3. That the area in square south of 463 on the map of the city of Washington heretofore used for station purposes shall revert to the District of Columbia upon the completion of these improvements: *Provided*, That the said Philadelphia, Baltimore & Washington Railroad Co. shall construct and maintain thereon, subject to the approval of the Commissioners of the District of Columbia, adequate walkways to the adjacent streets.

SEC. 4. That Congress reserves the right to alter, amend, or repeal this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISTRICT OF COLUMBIA OFFICIAL BONDS

The Senate proceeded to consider the bill (S. 2831) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a Code of Law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia; and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

Mr. KING. Mr. President, this bill merely provides for existing bonding provisions with respect to the officials of the District of Columbia.

The PRESIDING OFFICER. The amendments of the committee will be stated.

The amendments were, in section 1, page 2, line 4, after the word "empowered", to strike out the comma and the words "any statute to the contrary notwithstanding", and at the end of the section to insert a proviso, so as to make the section read:

Be it enacted, etc., That section 2 of the act approved June 11, 1878 (20 Stat. 103, ch. 180), entitled "An act providing a permanent form of government for the District of Columbia", be, and the same hereby is, amended by repealing the provision "and shall, before entering upon the duties of the office, each give bond in the sum of $50,000, with surety as is required by existing law", and said section is further amended by adding at the end thereof: "The said Commissioners are hereby authorized and empowered to determine which officers and employees of the District of Columbia shall hereafter be required to give or renew bond for the faithful discharge of their duties and to fix the penalty of any such bond: *Provided*, That this power of the Commissioners shall not apply to officers and employees who receive, disburse, account for, or otherwise are responsible for the handling of money, and whose bonds are now fixed by law. The provisions of the act of Congress entitled 'An act making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1909, and for other purposes', approved August 5, 1909 (36 Stat. 118, 125), relating to rates of premiums for bonds for officers and employees of the United States shall be, and are hereby made, applicable to the rates of premiums for bonds of officers and employees of the government of the District of Columbia."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act approved June 11, 1878 (20 Stat. 103, ch. 180), entitled "An act providing a permanent form of government for the District of Columbia", be, and the same hereby is, amended by repealing the provision "and shall, before entering upon the duties of the office, each give bond in the sum of $50,000, with surety as is required by existing law", and said section is further amended by adding at the end thereof: "The said Commissioners are hereby authorized and empowered

to determine which officers and employees of the District of Columbia shall hereafter be required to give, or renew, bond for the faithful discharge of their duties and to fix the penalty of any such bond: *Provided*, That this power of the Commissioners shall not apply to officers and employees who receive, disburse, account for, or otherwise are responsible for the handling of money and whose bonds are now fixed by law. The provisions of the act of Congress entitled 'An act making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1909, and for other purposes', approved August 5, 1909 (36 Stat. 118, 125), relating to rates of premiums for bonds for officers and employees of the United States, shall be, and are hereby made, applicable to the rates of premiums for bonds of officers and employees of the government of the District of Columbia."

SEC. 2. That section 1578, chapter LV, of the act approved March 3, 1901 (31 Stat. 1424), entitled "An act to establish a Code of Law for the District of Columbia", is hereby amended so as to read:

"The surveyor shall take and subscribe an oath or affirmation before the Commissioners that he will faithfully and impartially discharge the duties of his office, which oath shall be deposited with the Commissioners of the District of Columbia."

SEC. 3. That section 1592 of said Code of Law for the District of Columbia is amended so as to read:

"The assistant surveyor shall take the same oath his principal is required to take, and may, during the continuance of his office, discharge and perform any of the official duties of his principal."

SEC. 4. That said Code of Law for the District of Columbia is further amended by repealing in its entirety section 1597 thereof.

SEC. 5. All acts or parts of acts inconsistent herewith are hereby repealed.

Mr. KING subsequently said: Mr. President, a few moments ago the Senate passed Senate bill 2831, relating to official bonds. The House has passed a bill textually the same, and has transmitted it to the Senate. I move to reconsider the vote by which the Senate bill was passed, and then I shall ask that the House bill be considered and passed, and that the Senate bill be indefinitely postponed.

Mr. McKELLAR. Is the House bill identically the same as the Senate bill which we have just passed?

Mr. KING. Yes.

Mr. McKELLAR. I have no objection.

Mr. KING. Mr. President, I move that the vote by which Senate bill 2831 was passed be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KING. I now move that House bill 7765 be be substituted for the Senate bill, and that the House bill be passed.

There being no objection, the Senate proceeded to consider the bill (H. R. 7765) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia; and for other purposes, which was read twice by its title, ordered to a third reading, read the third time, and passed.

Mr. KING. I ask unanimous consent that Senate bill 2831 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 2831 will be indefinitely postponed.

DR. RONALD A. COX

The Senate proceeded to consider the bill (S. 2939) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox, which was read.

Mr. KING. Mr. President, this bill is reported from the committee by the Senator from Mississippi [Mr. BILBO] without amendment.

Mr. McKELLAR. Does the bill apply to only one person?

Mr. KING. Yes.

Mr. COPELAND. Mr. President, this man was licensed. When the law went into effect he was away from the city for a short time, and was entirely unaware of the change in the law. The bill provides that he may be licensed under the new law.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox, Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

SPECIAL ASSESSMENT FOR ROADWAYS, ETC.

The Senate proceeded to consider the bill (H. R. 7526) to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters."

Mr. KING. Mr. President, this bill is very simple. It merely provides that there shall be a date beyond which persons may not claim that they have paid assessments.

The bill was ordered to a third reading, read a third time, and passed.

SEVENTIETH NATIONAL ENCAMPMENT, GRAND ARMY OF THE REPUBLIC

The Senate proceeded to consider the joint resolution (H. J. Res. 201) giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment, which had been reported from the Committee on the District of Columbia with an amendment.

Mr. KING. Mr. President, this is a House joint resolution which has been passed by the House.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was in section 5, page 6, to insert a proviso at the end of the section, as follows:

And provided further, That any such buildings, parks, reservations, and other public spaces which shall be used or occupied by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said citizens' executive committee shall execute and deliver to the Commissioners of the District of Columbia a satisfactory bond with a penalty of $10,000 to secure such prompt restoration and to indemnify the District of Columbia for all damage of any kind whatsoever sustained by reason of any such use or occupancy.

So as to make the section read:

SEC. 5. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Park Service, is hereby authorized to grant permits to the citizens' executive committee for the entertainment of the Grand Army of the Republic for the use of any reservation or other public spaces in the city of Washington on the occasion of the seventieth national encampment, in the month of September 1936, which, in his opinion, will inflict no serious or permanent injuries upon such reservations or public spaces, or statuary therein; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in the said city of Washington as they may deem proper and necessary: *Provided, however*, That all stands and platforms that may be erected on the public spaces aforesaid shall be under the supervision of the said citizens' executive committee and in accordance with plans and designs to be approved by the Architect of the Capitol, the Commissioner of Public Buildings and Grounds, and the building inspector of the District of Columbia: *And provided further*, That any such buildings, parks, reservations, and other public spaces which shall be used or occupied by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said citizens' executive committee shall execute and deliver to the Commissioners of the District of Columbia a satisfactory bond with a penalty of $10,000 to secure such prompt restoration and to indemnify the District of Columbia for all damage of any kind whatsoever sustained by reason of any such use or occupancy.

The amendment was agreed to.

The joint resolution was ordered to a third reading, read the third time, and passed, as follows:

Whereas at the close of the Civil War the Grand Army of the Republic marched up historic Pennsylvania Avenue while the spirited tramp, tramp, tramp of their feet became the Nation's marching song, and again in 1915, when their ranks were beginning to thin, the Capital City once more welcomed the Boys in Blue as their footsteps again resounded to the old battle tunes; and

Whereas the ranks of the 300,000 have dwindled away to hundreds, most of whom are in their ninetieth year; and

Whereas it is the greatest desire of their hearts to hold their seventieth national encampment in the Capital of their country

in 1936, and march, for the last time, up Pennsylvania Avenue; and it should be our pleasure and privilege to invite them here and show respect to the last of our Civil War veterans, who, as our President in his last message to them said, "have lived to see the end of sectionalism and the final healing of the scars of conflict and the achievement of a true unity of national purposes": Therefore be it

Resolved, etc., That the Commissioners of the District of Columbia are hereby authorized and directed to make such special regulations for the occasion of the encampment of the Grand Army of the Republic, which will take place in the District of Columbia from September 21 to September 27, 1936, as they shall deem advisable for the preservation of public order and the protection of life and property, to be in force 1 week prior to said encampment, during said encampment, and 1 week subsequent thereto. Such special regulations shall be published in one or more of the daily newspapers of the District of Columbia, and no penalty prescribed for the violation of such regulations shall be enforced until 5 days after such publication. Any person violating any of the aforesaid regulations or the aforesaid schedule of fares shall, upon conviction thereof in the police court of the said District, be liable for such offense to a fine not to exceed $100, and in default of payment of such fine to imprisonment in the workhouse (or jail) of said District for not longer than 60 days. This resolution shall take effect immediately upon its approval, and the sum of $15,000, or as much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated and from the revenues of the District of Columbia, in equal parts, is hereby appropriated to enable the Commissioners of the District of Columbia to carry out the provisions of section 1 of this joint resolution, $1,000 of which shall be available for the construction, maintenance, and operation of public comfort stations and information booths, under the direction of said Commissioners.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to permit the committee on illumination of the citizens' executive committee for the entertainment of the seventieth national encampment of the Grand Army of the Republic to stretch suitable conductors, with sufficient supports wherever necessary, for the purpose of effecting the said illumination within the District of Columbia: *Provided*, That the said conductors shall not be used for the conveying of electrical currents after September 27, 1936, and shall, with their supports, be fully and entirely removed from the streets and avenues of the said city of Washington on or before the 16th of October 1936: *Provided further*, That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced; that all needful precautions are taken for the protection of the public; and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *Provided further*, That no expense or damage on account of or due to stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia: *And provided further*, That if it shall be necessary to erect wires for illumination purposes over any park or reservation in the District of Columbia that the work of erection and removal of said wires shall be under the supervision of the official in charge of said park or reservation.

SEC. 3. That the Secretary of War and the Secretary of the Navy be, and they are hereby, authorized to loan to the chairman of the subcommittee in charge of street decorations, or his successor in said office, for the purpose of decorating the streets of the city of Washington, D. C., on the occasion of the encampment of the Grand Army of the Republic, 1936, such of the United States ensigns, flags (except battle flags), signal numbers, and so forth, belonging to the Government of the United States, as in their judgment may be spared and are not in use by the Government at the time of the encampment. The loan of the said ensigns, flags, signal numbers, and so forth, to said chairman shall not take place prior to the 11th day of September and shall be returned by him by the 16th of October 1936.

SEC. 4. That for the protection and return of said ensigns, flags, signal numbers, etc., the said chairman or his successor in office shall execute and deliver to the President of the United States, or to such officer as he may designate, a satisfactory bond in the penalty of $50,000 to secure just payment for any loss or damage to said ensigns, flags, and signal numbers not necessarily incident to the use specified.

SEC. 5. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Park Service, is hereby authorized to grant permits to the citizens' executive committee for the entertainment of the Grand Army of the Republic for the use of any reservation or other public spaces in the city of Washington on the occasion of the seventieth national encampment, in the month of September 1936, which, in his opinion, will inflict no serious or permanent injuries upon such reservations or public spaces, or statuary therein; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in the said city of Washington as they may deem proper and necessary: *Provided, however*, That all stands and platforms that may be erected on the public spaces aforesaid shall be under the supervision of the said citizens' executive committee and in accordance with plans and designs to be approved by the Architect of the Capitol, the Commissioner of Public Buildings and Grounds, and the building inspector of the District of Columbia: *And provided further*, That any such buildings, parks, reservations, and other public spaces which shall be used or occupied by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said citizens' executive committee shall execute and deliver to the Commissioners of the District of Columbia a satisfactory bond with a penalty of $10,000 to secure such prompt restoration and to indemnify the District of Columbia for all damage of any kind whatsoever sustained by reason of any such use or occupancy.

SEC. 6. That the Secretary of War is hereby authorized to loan to the chairman of the medical department of the seventieth national encampment of the Grand Army of the Republic, or his successor in said office, for the purpose of caring for the sick, injured, and infirm on the occasion of the encampment of the Grand Army of the Republic in the month of September 1936, such hospital tents and camp appliances and other necessaries, hospital furniture, and utensils of all descriptions, ambulances, drivers, stretchers, attendants, and Red Cross flags and poles belonging to the Government of the United States as in his judgment may be spared and are not in use by the Government at the time of the encampment: *Provided*, That the said chairman, or his successor in said office, shall indemnify the War Department for any loss to such hospital tents and appliances as aforesaid not necessarily incident to such use.

SEC. 7. The Public Utilities Commission of the District of Columbia is authorized and directed to establish a special schedule of fares applicable to public conveyances in said District during the period aforesaid.

The preamble was agreed to.

MAINE AVENUE IN THE DISTRICT

The joint resolution (H. J. Res. 280) for the designation of a street or avenue in the Mall to be known as "Maine Avenue" was announced as next in order.

Mr. BULKLEY. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. COPELAND subsequently said: Mr. President, I ask to recur to Calendar No. 986, being House Joint Resolution 280. I think the Senator from Ohio [Mr. BULKLEY] objected to that bill. Am I correct about that?

Mr. BULKLEY. Yes.

Mr. COPELAND. That bill was amended in the committee so that the particular locality for the street or avenue was not designated, but it was said—

That in honor of the State of Maine an avenue of the city of Washington, D. C., of location and importance in keeping with dignity and prominence of that State to be selected by the Commissioners of the District of Columbia, with the approval of the National Capital Park and Planning Commission, shall hereafter bear the name of "Maine Avenue."

Mr. BULKLEY. I should like to have the joint resolution go over for one calendar call, and I shall be glad to help the Senator with it.

The PRESIDING OFFICER. The joint resolution will be passed over.

ALCOHOLIC BEVERAGES IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 5809) to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", which had been reported from the Committee on the District of Columbia with an amendment, on page 1, beginning in line 3, to strike out "That section 23 of the act entitled 'An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia', approved January 24, 1934, as amended, is amended by adding at the end thereof a new subsection to be lettered (k) and to read as follows: 'SEC. 3. Subsections'" and to insert "That subsections", so as to make the bill read:

That subsections (g) and (h) of section 11 are amended by adding at the end of the first paragraph of code the following: "All alcoholic beverages offered for sale or sold by the holder of such licenses may be displayed and dispensed in full sight of the purchaser."

Mr. MCKELLAR. Mr. President, let us have an explanation of the bill.

Mr. COPELAND. This bill is to provide that a person who buys liquor at one of the places where liquor is dispensed may have it mixed in his presence instead of behind a hidden curtain, where he does not know what he is getting or how insanitary the conditions may be. The matter was argued at great length by the committee, and this was deemed a wise change in the law.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 7235) to amend the act entitled "An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes", was announced as next in order.

Mr. McKELLAR. Mr. President, I think we ought to have an explanation of the bill. The Senator from Texas [Mr. CONNALLY] is not here. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

MAILING OF THREATENING LETTERS

The bill (S. 2223) to amend section 1 of the act of July 8, 1932, was announced as next in order.

Mr. ASHURST. Mr. President, as to Calendar No. 919, there has been reported from the Committee on Post Offices and Post Roads by the able Senator from Tennessee [Mr. McKELLAR] a companion bill, House bill 6717, Calendar No. 946. I therefore suggest, in the interest of time and the saving of what would otherwise be lost motion, that the Senate, if it is minded to pass the bill, consider House bill 6717 and indefinitely postpone Senate bill 2223. Am I correct in my statement, I will ask the Senator from Tennessee?

Mr. McKELLAR. A similar bill has been passed by the House.

Mr. ASHURST. The bill provides, among other things, that it shall be a crime to send threatening letters through the mail. It is one of the so-called "antigangster" bills. The bill, which was drawn by the Department of Justice, provides that anyone who opens communication through the mail with another threatening to kidnap, or to accuse a person of a crime, or to do him bodily injury unless he pays a sum of money, shall be punished. As I have said, if the Senate is minded to pass such legislation, we might consider the House bill reported by the Senator from Tennessee, being Calendar No. 946, House bill 6717, and postpone Calendar No. 919, Senate bill 2223.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H. R. 6717) to amend section 1 of the act of July 8, 1932, which was ordered to a third reading, read the third time, and passed.

Mr. ASHURST. Mr. President, I ask that Senate bill 2223 be indefinitely postponed.

The PRESIDING OFFICER. Without objection Senate bill 2223 will be indefinitely postponed.

WATER FROM GOVERNMENT MAIN AT CASCADE LOCKS, OREG.

The Senate proceeded to consider the bill (S. 2799) to provide for licensing the taking of water from the Government-owned main at Cascade Locks, Oreg.

Mr. STEIWER. Mr. President, I am confronted with the necessity of asking permission to offer a slight amendment to this bill, and, if the Senate will permit me, I should like to explain before offering the amendment the occasion for it. Cascade Locks until recently was an unincorporated town in Oregon. In order that it might provide for protection and that an agency might be created to use the water for fire protection, there was set up at that place the Cascade Locks Rural Fire Protection District, organized under the laws of the State of Oregon. The bill was introduced in order to give permission to this district to take water for fire protection purposes only from a main which the Government has for a long time maintained at that point. Subsequent to the introduction of the bill, the people at Cascade Locks proceeded with the organization of the city of Cascade, and a vote was recently had. I am now advised that under that vote the city has been organized, and is now an entity. The same people who asked for this bill now have requested that the bill be amended so that the right will run not to the Rural Fire Protection District but to the city of Cascade Locks, in the State of Oregon.

Mr. McKELLAR. It is the same community, and the same amount of protection will be afforded?

Mr. STEIWER. Exactly, and it is merely to provide that the right shall be vested in the proper authority. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In line 4, before the word "Cascades", it is proposed to insert the words "city of"; and on page 1, lines 5 and 6, to strike out "Rural Fire Protection District, organized under the laws of the State of" and to insert a comma, so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized to grant permission, on such terms as he may deem reasonable, to the city of Cascade Locks, Oreg., to make connection with the Government-owned water main at Cascade Locks and take water therefrom for use for fire-protection purposes only.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AVIATION FIELD AT VALPARAISO, FLA.

The bill (S. 3018) to authorize the Secretary of War to acquire by donation land at Valparaiso, in Okaloosa County, Fla., for aviation field, military, or other public purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire by donation approximately 1,460 acres of land at Valparaiso, in Okaloosa County, Fla., for aviation field, military, or other public purposes: *Provided*, That in the event the donor is unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

Mr. FLETCHER. Mr. President, I ask to have inserted in the RECORD a statement regarding that bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 3018. LAND AT VALPARAISO, IN OKALOOSA COUNTY, FLA., FOR AVIATION FIELD AND OTHER PURPOSES

This bill is recommended by the War Department. It merely authorizes the Secretary of War to acquire by donation approximately 1,460 acres of land at Valparaiso, in Okaloosa County, Fla., for aviation field, military, or other public purposes. The bill carries a proviso clause to the effect that in the event the donor is unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and that payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

There has been a need for some time of a range for aerial gunnery and bombing practice on the Gulf coast, and the Department in its report points out that a suitable site has been located on the property of the Valparaiso Realty Co., near Valparaiso, Fla. The owner has offered to donate to the United States the land in fee simple, or about 1,460 acres. This measure merely authorizes its acceptance for the purposes stated.

SAMMAMISH RIVER, WASH.

The bill (S. 2930) to provide a preliminary examination of the Sammamish River, Wash., with a view to the control of its floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sammamish River, Wash., with a view to the control of its floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

NISQUALLY RIVER, WASH.

The bill (S. 2933) to provide a preliminary examination of the Nisqually River, Wash., with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Nisqually River, Wash., with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

CEDAR RIVER, WASH.

The bill (S. 2938) to provide a preliminary examination of the Cedar River, Wash., with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Cedar River, Wash., with a view to the control of its floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for control of floods of the Mississippi River and the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

MISSOURI RIVER BRIDGE, MIAMI, MO.

The bill (S. 2950) granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Saline, Mo., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Miami, Mo., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

BILL PASSED OVER

The bill (S. 2321) for the relief of S. M. Price was announced as next in order.

Mr. McKELLAR. I should like to have an explanation of that bill. In the absence of the Senator who introduced it I will ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

WALTER C. PRICE AND JOSEPH C. LESAGE

The Senate proceeded to consider the bill (S. 2751) for the relief of Walter C. Price and Joseph C. Lesage.

Mr. NEELY. Mr. President, I send to the desk an amendment to the bill.

Mr. McKELLAR. Before the consideration of the amendment, I should like to ask the Senator a question. Did the postmaster have a bond?

Mr. NEELY. He did; but the penalty of the bond was not sufficient to cover the loss which the Government had sustained.

Mr. McKELLAR. This is not a bonding company bill?

Mr. NEELY. It is not. Its purpose is to relieve two innocent men who were improperly held responsible for the defalcation of a dishonest post-office clerk.

Mr. McKELLAR. As a rule, postmasters and their assistants are bonded by a bonding company, and the practice is very frequent, after a defalcation has occurred, that the postmaster or other postal employee comes forward and asks for the passage of a bill for relief, when the bill is not really for his relief but for the relief of the bonding company which signed the bond. That is not the case here, is it?

Mr. NEELY. It is not.

Mr. McKELLAR. I have no objection to the bill.

Mr. NEELY. Mr. President, I request that my amendment be reported.

The CHIEF CLERK. On line 4 it is proposed to change the spelling of the name from "Lesage" to "Le Sage", and at the end of the bill to insert the following new section:

The Comptroller General of the United States is authorized and directed to credit the account of Walter C. Price, former postmaster at Huntington, W. Va., with the sum of $10,428.24, which amount is charged against said account as the result of embezzlement of money order funds by Samuel T. Shawver, former clerk in charge of the money-order section at said post office.

The amendment was agreed to.

The title was amended so as to read: "A bill for the relief of Walter C. Price and Joseph C. Le Sage."

MEMORIAL TO FOURTH DIVISION, AMERICAN EXPEDITIONARY FORCES

The joint resolution (S. J. Res. 69) to provide for the erection of a suitable memorial to the Fourth Division, American Expeditionary Forces, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Director of the National Park Service be, and he is hereby, authorized and directed to grant permission to the Fourth Division Memorial Association, American Expeditionary Forces, through Maj. Gen. George H. Cameron, United States Army, retired, president, or his successors in office, for the erection as a gift to the people of the United States on public grounds in the District of Columbia, a memorial to the Fourth Division: *Provided*, That the design and location for the memorial shall be approved by the National Commission of Fine Arts: *Provided further*, That such monument shall be erected under the supervision of the Director of the National Park Service, of the Department of the Interior, and that the United States shall be put to no expense in or by the erection of said monument.

WIDOWS OF FEDERAL EMPLOYEES KILLED IN LINE OF DUTY

The Senate proceeded to consider the bill (S. 2488) for the relief of the widows of an inspector and certain special agents of the Division of Investigation, Department of Justice, killed in line of duty, which had been reported from the Committee on Claims, with amendments, on page 1, line 5, after the words "sum of", strike out "$12,000" and insert "$5,000"; and on page 2, after line 9, to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 each to the following-named widows of an inspector and certain special agents of the Division of Investigation of the Department of Justice killed in line of their official duties:

LaVon C. Cowley, widow of Inspector Samuel P. Cowley, killed near Chicago, November 28, 1934;

Regina Caffrey, widow of Raymond J. Caffrey, special agent, killed at Kansas City, Mo., June 17, 1933;

Gladys Gage Surratt, widow of Rupert V. Surratt, special agent, killed near Landis, N. C., October 8, 1933;

Mary E. Baum, widow of W. Carter Baum, special agent, killed in Rhinelander, Wis., April 23, 1934; and

Genevieve Hollis, widow of Herman E. Hollis, special agent, killed near Chicago, November 27, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

Mr. COPELAND. Mr. President, I desire to offer an amendment to the bill.

Mr. McKELLAR. Mr. President, will the Senator explain how this bill arises?

Mr. COPELAND. Mr. President, this is not my bill, but the Senator will see that it is for the relief of the widows of an inspector and certain special agents of the Division of

Investigation, Department of Justice, who have been killed in the line of duty.

Mr. McKELLAR. One inspector and four of his assistants?

Mr. COPELAND. I think that is correct. I am offering an amendment to this bill to include the widow of a Secret Service operator who was killed in the line of duty on May 24, 1935.

Chief Moran, of the Secret Service Division, is favorable to this amendment. The amendment I desire to offer is to add the name of Ann Godby, widow of Robert L. Godby, operative in the Secret Service Division of the Treasury Department, who was killed in line of duty at Buffalo, N. Y., May 24, 1935; and if the amendment shall be agreed to, I will then move to amend the title.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 9, after the numerals "1934", it is proposed to insert "and Ann Godby, widow of Robert L. Godby, operative in the Secret Service Division, Treasury Department, who was killed in line of duty at Buffalo, N. Y., on May 24, 1935."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

On motion of Mr. COPELAND, the title was amended so as to read: "A bill for the relief of the widows of an inspector and certain special agents of the Division of Investigation, Department of Justice, and operative in the Secret Service Division, Department of the Treasury, killed in line of duty."

DUWAMISH RIVER, WASH.

The bill (S. 2934) to provide a preliminary examination of the Duwamish River, Wash., with a view to control its floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Duwamish, River, Wash., with a view to control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

BILL PASSED OVER

The bill (S. 1633) to amend the Interstate Commerce Act, as amended, and for other purposes, was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill?

Mr. COPELAND. I think the Senator from Louisiana secured consent that the bill should be passed over when reached.

The PRESIDING OFFICER. The Chair is informed that that was the understanding, and the bill will be passed over.

STATIONS AND DEPOTS FOR ARMY AIR CORPS

The bill (H. R. 7022) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases generally, was announced as next in order.

Mr. McKELLAR. Mr. President, the bill seems to involve a large sum of money. I wish we could have an explanation of it.

Mr. FLETCHER. Mr. President, this bill passed the House of Representatives on June 5, 1935, my recollection is, without a dissenting vote. Under its provisions the Secretary of War is authorized and directed to determine in all strategic areas of the United States, including those of Alaska and our oversea possessions and holdings, the location of such additional permanent Air Corps stations and depots as he deems essential, in connection with the existing Air Corps stations and depots and the enlargement of the same when necessary, for the effective peace-time training of the General Headquarters Air Force and the Air Corps components of our oversea garrisons.

In determining the locations of new stations and depots the measure provides that consideration shall be given to the following regions for the respective purposes indicated: (1) The Atlantic northeast: To provide for training in cold weather and in fog; (2) the Atlantic southeast and Carribean areas: To permit training in long-range operations, especially those incident to reinforcing the Panama Canal; (3) the Southeastern States: To provide a depot essential to the maintenance of the General Headquarters Air Force; (4) the Pacific Northwest: To establish and maintain air communication with Alaska; (5) Alaska: For training under conditions of extreme cold; (6) the Rocky Mountain area: To provide a depot essential to the maintenance of the General Headquarters Air Force, and to afford, in addition, opportunity for training in operations from fields in high altitudes; and (7) such intermediate stations as will provide for transcontinental movements incident to the concentration of the General Headquarters Air Force for maneuvers.

Section 4 of the bill authorizes to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary, to be expended under the direction of the Secretary of War for the purposes of this act, including the expenses incident to the necessary surveys. The bill provides that provisions of section 1136, Revised Statutes (U. S. C., title 10, par. 1339), shall not apply to construction of aforesaid stations and depots. (This section of the Revised Statutes provides that where Army construction exceeds $20,000, detailed estimates must first be submitted to Congress, a special appropriation made, and authority granted for the construction.)

Mr. McKELLAR. Is this the proposal to build airports along the Canadian border about which the newspapers had something to say recently?

Mr. FLETCHER. The bill perhaps originated that discussion. There are no specifications here.

Mr. McKELLAR. It authorizes an appropriation of $110,000,000.

Mr. FLETCHER. No; I do not think so.

Mr. McKELLAR. It seems to me an appropriation of that large sum at this time ought to be carefully considered. It ought to be postponed and taken up when we have more time to discuss it. I hope the Senator will let it go over. I dislike to object to any bill the Senator presents, but I hope he will let it go over until the next time we call the calendar.

Mr. FLETCHER. I think the Senator is mistaken about the amount involved.

Mr. McKELLAR. The estimated cost is $110,000,000.

Mr. FLETCHER. The bill merely authorizes to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to be expended under the direction of the Secretary of War for the purposes of the bill. It all remains for the Secretary of War to select the locations hereafter. It depends on the appropriation.

Mr. McKELLAR. There is another feature to be considered. The War Department has a large amount of money remaining, out of the big authorization of several months ago, with which it may build airports if it so desires. It seems to me, where the estimated cost of such a project is the enormous sum of $110,000,000, it ought not to be passed without careful consideration. At any rate, I shall be glad to discuss it with the Senator if he will let the bill go over at this time.

Mr. FLETCHER. Of course, if the Senator desires to object, I can do nothing but yield.

Mr. McKELLAR. The Senator knows how much I dislike to object to anything he asks. I am very much devoted to the Senator and I dislike to object.

Mr. FLETCHER. I appreciate that. It is an important bill. It passed the House without a dissenting vote. However, I shall be glad to discuss it with the Senator.

Mr. McKELLAR. I thank the Senator for letting it go over.

The PRESIDING OFFICER. On objection, the bill will be passed over.

SAN FRANCISCO AND FORT BAKER MILITARY RESERVATIONS ROADS

The Senate proceeded to consider the bill (S. 2175) to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That there is hereby granted to the State of California a retrocession of jurisdiction over the rights-of-way covered by a certain grant from the Secretary of War to the Golden Gate Bridge and Highway District, of California, dated February 13, 1931, to extend, maintain, and operate State roads across the Presidio of San Francisco Military Reservation and the Fort Baker Military Reservation, as heretofore or hereafter amended by the Secretary of War, subject to all of the terms and conditions contained in said permit as so granted and any amendments thereof as aforesaid. The land and premises over which such retrocession of jurisdiction is hereby granted shall be the whole of the rights-of-way so granted by said permit and any amendments thereof, throughout their entire length and width, and for the entire distance granted therein, together with the land crossed by any toll bridge that may be erected by such Golden Gate Bridge and Highway District to connect the Presidio of San Francisco Military Reservation with the Fort Baker Military Reservation, and embracing the said toll bridge with its approach roads over the rights-of-way so granted by said permit and any amendments thereof.

SEC. 2. Should the United States assume exclusive control and management of said bridge and roads, as provided in said permit and any amendments thereof, the jurisdiction herein retroceded shall be suspended and revest in the United States for the duration of such control and management. Whenever the State of California shall cease to occupy said rights-of-way and land for the purpose authorized in said permit and any amendments thereof, then the same, including all jurisdiction thereover, shall revert to the United States.

SEC. 3. The retrocession of jurisdiction herein granted shall not take effect until the same is accepted by the Legislature of the State of California.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSAL OF OBSOLETE PUBLICATIONS

The concurrent resolution (S. Con. Res. 17) providing for the disposition of certain obsolete Government publications stored in the folding rooms of Congress, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, etc., That a statement of certain noncurrent and obsolete publications now in the folding rooms of the Senate and House of Representatives, respectively, shall be prepared by the Sergeant at Arms of the Senate and Doorkeeper of the House of Representatives, respectively, and submitted to the Joint Committee on Printing, which is hereby authorized to dispose of the same in the following manner:

First. A printed statement of such publications shall be submitted to each Senator, Representative, Delegate, Resident Commissioner, and officer of the Senate and House of Representatives, and any Member or officer of either House having any of such publications to his credit may dispose of the same in the usual manner at any time before September 1, 1935.

Second. Upon the expiration of the aforesaid time the Joint Committee on Printing shall furnish to all Members of the Senate and House of Representatives, respectively, as promptly as practicable, a list of the publications herein referred to then remaining in the folding rooms, and thereupon such publications shall be subject to the order of any Senator, Representative, Delegate, or Resident Commissioner, in the order in which they are applied for, for a period of 30 days after the day when such list shall be furnished by the Joint Committee on Printing, but no application for the transfer of these publications may be honored.

Third. The Joint Committee on Printing shall furnish a list of all such publications remaining in the folding room at the expiration of the last-named period to the various departments, independent offices, and establishments of the Government at Washington, including the Superintendent of Documents, Smithsonian Institution, Library of Congress, National Archives Establishment, Bureau of American Republics, and the Commissioners of the District of Columbia, and such publications shall be turned over to any department, independent office, or establishment making written request therefor and shall be allocated in the order in which their application is made, and all such publications which shall remain in the folding rooms for a period of 10 days after such list shall have been furnished to the departments, independent offices, or establishments aforesaid shall be delivered to the Superintendent of Documents, Government Printing Office, for such disposition as he may deem to be to the best interests of the Government.

Fourth. No publication which is described in the list aforesaid shall thereafter be returned to the folding rooms from any source.

BILL PASSED OVER

The bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was announced as next in order.

Mr. COPELAND. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EDWARD B. WHEELER AND THE STATE INVESTMENT CO.

The bill (S. 427) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward B. Wheeler, of Las Vegas, N. Mex., and the State Investment Co., of New Mexico, who were declared by the Supreme Court of the United States (*United States* v. *State Investment Co.* (1924), 264 U. S. 106) to be the owners, respectively, of certain lands in the tract known as the "Mora grant", located in San Miguel and Mora Counties, N. Mex., an amount to be computed by the Secretary on the basis of $2.20 per acre for every acre of land embraced within the claim of any bona fide entryman on such lands holding under patent from the United States or under any entry allowed by the Department of the Interior, the recovery of which lands by the said Edward B. Wheeler and the State Investment Co. is barred by the stipulation entered into between such parties and the United States on January 23, 1918. Such payment shall operate as a full settlement of all claims of such Edward B. Wheeler and the State Investment Co. against the United States or the owners of such lands for damages for the loss of such lands.

RAILWAY LABOR ACT APPLIED TO CARRIERS BY AIR

The Senate proceeded to consider the bill (S. 2496) to amend the Railway Labor Act, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment was, on page 2, lines 15 to 22, to strike out section 203, as follows:

SEC. 203. The jurisdiction of the National Mediation Board is extended to and shall cover each and every dispute arising from any cause between said carriers by air or any of them and its or their employees, and the services of the National Mediation Board may be invoked in the same manner and to the same extent as though any or all such disputes were specifically mentioned in section 5 of title I of this act.

And insert in lieu thereof the following:

SEC. 203. The parties or either party to a dispute between an employee or a group of employees and a carrier or carriers by air may invoke the services of the National Mediation Board and the jurisdiction of said Mediation Board is extended to any of the following cases:

(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.

(b) Any other dispute not referable to an adjustment board, as hereinafter provided, and not adjusted in conference between the parties, or where conferences are refused.

The National Mediation Board may proffer its services in case any labor emergency is found by it to exist at any time.

The services of the Mediation Board may be invoked in a case under this title in the same manner and to the same extent as are the disputes covered by section 5 of title I of this act.

The amendment was agreed to.

The next amendment was, on page 3, line 16, to strike out section 204, as follows:

SEC. 204. Nothing in this title shall be construed to prevent any individual carrier, system, or group of carriers by air, and any class or classes of its or their employees, all acting through their representatives, selected in accordance with the provisions of this title, from mutually agreeing to the establishment of system, group, or regional boards of adjustment of jurisdiction not exceeding the jurisdiction which may be lawfully exercised by system, group, or regional boards of adjustment under the authority of section 3 of title I of this act; or, pending the establishment of a permanent national board of adjustment as hereinafter provided, to prevent said carriers by air and any class or classes of their employees, all acting through their representatives, selected in accordance with the provisions of this title, from mutually agreeing to the establishment of a national board of adjustment of temporary duration and of similarly limited jurisdiction.

And insert a new section 204, as follows:

SEC. 204. The disputes between an employee or group of employees and a carrier or carriers by air growing out of grievances, or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on the date of approval of this act before the National Labor Relations Board, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to an appropriate adjustment board, as hereinafter provided, with a full statement of the facts and supporting data bearing upon the disputes.

It shall be the duty of every carrier and of its employees, acting through their representatives, selected in accordance with the provisions of this title, to establish a board of adjustment of jurisdiction not exceeding the jurisdiction which may be lawfully exercised by system, group, or regional boards of adjustment, under the authority of section 3, title I, of this act.

Such boards of adjustment may be established by agreement between employees and carriers either on any individual carrier, or system, or group of carriers by air and any class or classes of its or their employees; or pending the establishment of a permanent National Board of Adjustment as hereinafter provided. Nothing in this act shall prevent said carriers by air, or any class or classes of their employees, both acting through their representatives selected in accordance with provisions of this title, from mutually agreeing to the establishment of a National Board of Adjustment of temporary duration and of similarly limited jurisdiction.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, may we have a brief explanation of the bill?

Mr. MINTON. Mr. President, in 1926 Congress enacted what is known as the "Railway Labor Act." The bill now before us merely provides for the extension of the Railway Labor Act provisions to air pilots and mechanics engaged in the air service in interstate commerce.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

QUARTERS FOR GOVERNMENT SERVICES AT EL PASO, TEX.

Mr. CONNALLY. Mr. President, order of business 918, being House bill 7235, was called when I happened to be temporarily absent from the Chamber. I ask unanimous consent to recur to that order of business. I am sure there will be no objection when I shall have made a brief explanation.

Mr. McKELLAR. Mr. President, I asked that the bill go over on the ground that there was no explanation. I shall be glad to hear the Senator's statement.

Mr. CONNALLY. The bill relates to the erection of a building in El Paso, Tex., for prospective use of the Government of the United States. The reason for this procedure instead of erecting a public building is that the building to be leased is located on a tract of land the title to which is in dispute between the United States and Mexico. The Government, of course, under the circumstances does not desire to erect a building on the tract, but it is provided in the lease that if the title should be found to vest in Mexico the lease shall be terminated. The Department desires the legislation, and it is agreeable to all parties concerned.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7235) to amend the act entitled "An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes", was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to amend the act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes", approved June 19, 1934, is amended to read as follows:

"That when the owners of the tract of land situated in the city and county of El Paso and State of Texas, more fully described as follows, to wit—

"Beginning at a point on the east line of South Santa Fe Street, which point is the intersection of the west line of block 21 of the Campbell Addition to the city of El Paso and the southerly line of the present levee now occupied as a right-of-way of the Rio Grande & El Paso Railroad; and which point of intersection is 66.82 feet northerly from the southwest corner of said block 21, the beginning point of this tract; thence southerly along the west line of said block 21, and the east line of South Santa Fe Street at 66.82 feet past the southwest corner of said block 21 and at 136.82 feet past the northwest corner of block 17 of the Campbell addition and at 188.82 feet past the southwest corner of this tract; thence easterly at right angles to the center of an alley 130 feet; thence northerly and parallel with the east line of South Santa Fe Street 124 feet more or less to the south line of the above-mentioned levee; thence in a northwesterly direction along the south line of said levee 135 feet more or less to the place of beginning, being part of lots 18, 19, and 20 in block 21 of the Campbell addition, and that part of Eleventh Street between blocks 21 and 17 having a width of 70 feet by 130 feet, and all of lots 11 and 12 in block 17 above referred to and the west half of the alley adjoining the lots herein mentioned. The property herein described has a frontage of 188.82 feet on South Santa Fe Street, a width of 130 feet on the south side, has approximately 124 feet on the east side, and on the north side 135 feet."

"(hereafter called the 'owners'), have agreed to erect upon such premises, or upon an equivalent area which has been approved by the Secretary of the Treasury, a building of such design, plan, and specifications as may be approved by the Secretary of the Treasury as suitable for the use of the Bureau of Immigration, the Bureau of Customs, the United States Public Health Service, and the Bureau of Plant Quarantine; the Secretary of the Treasury is authorized and directed to negotiate, and, subject to an appropriation therefor, lease such building and such premises from the owners for a term of 25 years after such building is ready for occupancy at a fair annual rental, subject to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932. Such lease shall contain a provision for a cancelation of the lease in the event that the lots on which the building is to be constructed are determined, judicially or by agreement, to be lands subject to the jurisdiction of the United States of Mexico. In the event that such lands are so determined to be lands subject to the jurisdiction of the United States of Mexico and that as a result of such determination the owners or their assignees lose their title thereto and the lease is canceled, the United States shall pay to the owners or their assignees the fair value of the building at the completion of its construction (but not in excess of the actual cost of construction), less an amount equal to one-third of 1 percent of such cost or value for each month that the lease was in effect prior to such determination.

"SEC. 2. There is authorized to be appropriated such amounts as may be necessary to pay the installments of rent provided for in such lease."

AMENDMENT OF COPYRIGHT LAW

The bill (S. 3047) to amend the act entitled "An act to amend and consolidate the acts respecting copyright", approved March 4, 1909, as amended, and for other purposes, was announced as next in order.

Mr. WAGNER. Mr. President, I ask that the bill go over.

Mr. COPELAND. Mr. President, I desire to ask the Senator from Wisconsin [Mr. DUFFY] a question about the bill.

Mr. WAGNER. I am objecting to its present consideration.

Mr. COPELAND. I am glad my colleague is objecting, but I should like to ask the Senator from Wisconsin a question about it.

Mr. DUFFY. Mr. President, will the junior Senator from New York [Mr. WAGNER] withhold his objection a moment?

Mr. WAGNER. I ask that the bill go over today.

Mr. DUFFY. I have sat here and let the Senator from New York proceed day after day by unanimous consent, and I am willing to continue doing it. I merely ask him to withhold his objection a moment.

Mr. WAGNER. Does the Senator desire to explain the bill?

Mr. DUFFY. In the first place, the senior Senator from New York [Mr. COPELAND] desires to propound a question and I want to make a very brief statement about the bill.

Mr. WAGNER. There is no objection to that at all.

The PRESIDING OFFICER. The objection is withheld temporarily.

Mr. COPELAND. Mr. President, I should like to ask the Senator whether extensive hearings were held on the bill and if all parties in interest had an opportunity to present their views regarding it?

I ask the question because I am quite overwhelmed with protests from my State against the bill. There seems to be a feeling that it will work a great injustice; that it will deny to American authors certain rights to which they feel they are entitled, and that it is not a good bill and ought

not to be passed. I do not profess to have any knowledge of it at all and I am simply reciting to the Senator what is coming to my desk in the way of protests.

May I ask the Senator what has been done about the matter?

Mr. McADOO. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from California?

Mr. DUFFY. I yield.

Mr. McADOO. Mr. President, this bill came before the Committee on Patents. While that committee did not hold extensive hearings, it had a number of conferences with representatives of the various interests affected by the bill. The matter has been under discussion for a long time between the State Department and the Patent Office; and the Senator from Wisconsin [Mr. DUFFY] has been particularly in touch with the various negotiations, in the effort to see if a bill could not be framed which would satisfy the many conflicting interests. There are many complex questions involved. They are not easy to settle, and certainly the differences are not easy to reconcile.

There have been, heretofore, extensive hearings in the House; and those hearings, of course, were available to the Senate committee. I have asked the Senator from Wisconsin [Mr. DUFFY] to take charge of the discussion on the floor, because he is more familiar with the bill than am I, since lately I have been necessarily engaged in the Banking and Currency Committee to such an extent that I have not been able to give the matter as much time as the Senator from Wisconsin has been good enough to give it. The Senator from Wisconsin is not on the Patents Committee, but he introduced the bill; and for that reason I will ask him to take charge of it on the floor.

Mr. DUFFY. Mr. President, I will say to the Senator from New York that I was chairman of the subcommittee of the Foreign Relations Committee which had hearings on the question of the adherence of the United States to the International Copyright Union. In a very large measure this bill is an enabling act. The Copyright Union Treaty, or convention, was reported to the Senate by the Foreign Relations Committee and is now on the Executive Calendar, although we had a gentlemen's understanding that it would be held on the calendar until the present bill could receive consideration by the Senate.

In the meantime, after the Foreign Relations Committee had held hearings where the various conflicting interests appeared, at the request of the Foreign Relations Committee an informal interdepartmental committee was formed, consisting of 2 members from the Copyright Office, 2 members from the Department of State, and 1 member from the Department of Commerce. They had 25 or 26 different conferences with all the various conflicting interests; and this bill is largely the result of the 25 or 26 conferences, where all parties had a chance to be heard.

I will say that authors will gain a great deal by adherence of the United States to the International Copyright Union. There is in this particular bill, however, one matter to which authors object; that is, we have eliminated the provision for $250 minimum statutory damages, which has been made a racket in this country by the organization familiarly known as the "ASCAP", the American Society of Composers, Authors, and Publishers. The United States Government is now conducting a prosecution against that organization in a case which, I understand, was commenced in New York last week. The authors do object because the minimum of $250 statutory damages has been eliminated. On the other hand, the maximum has been largely increased, from $5,000 to $20,000, and the courts will give the authors full protection, but they will not be able to go into a bootblack stand or a little pool hall somewhere and hold up the proprietor for $250 as a minimum if this bill shall become a law.

There are many things in the bill which the authors very much desire, and of which they are very much in favor. Because the treaty is on the Executive Calendar, although it was ratified and then, at my request, restored to the calendar by unanimous consent, and because of the coming conference of the International Copyright Union, I am going, as soon as possible, to ask for consideration of this bill by the Senate. I cannot do so today in view of the objection which will be made by the junior Senator from New York [Mr. WAGNER].

Mr. COPELAND. Mr. President, if the Senator from Wisconsin will permit me to make a statement, I hold in my hand a telegram from John Erskine, one of the most popular writers of the day; and I had a similar message from Gene Buck, who is at the head of the music writers.

Mr. DUFFY. He is the head of ASCAP.

Mr. COPELAND. Mr. Erskine, in his telegram, says:

> I sincerely hope you will oppose copyright bill S. 3047. The bill gives foreign authors basic copyright without formality, but denies it to American authors. The bill seems to protect chiefly the commercial enterprises which live on the authors.

Of course, I am not competent to judge the merits of the matter; but I assume that the Senator will not press the bill today, and that we shall have an opportunity to look into it.

Mr. DUFFY. I think that should be done; but I desire to give notice that as early as possible I shall try to have the bill considered by the Senate, because we are holding up the Copyright Union treaty until this bill can receive consideration by the Senate.

Mr. WAGNER. Mr. President, if the bill is a meritorious one, of course, I have no desire to delay its consideration. I have received protests from a number of people in New York in whom I have very great confidence, who tell me that the bill is unfair to their profession. I did not, of course, wish to be discourteous to the Senator in making the objection. I thought he had in mind persuading me to withdraw my objection.

In view of these protests, not having had an opportunity to study the bill in detail, I shall have to press my objection today. I will confer with the Senator a little later on.

Mr. VANDENBERG. Mr. President, before the bill goes over, I ask leave to offer a series of amendments to it, so that they may be pending when the bill comes back.

The PRESIDING OFFICER. The amendments will be received and printed.

Objection being made to the consideration of the bill, it will be passed over.

WILLIAM K. BELDIN

The Senate proceeded to consider the bill (S. 1103) for the relief of William K. Beldin, which was read, as follows:

> *Be it enacted, etc.*, That in the administration of all laws conferring rights, benefits, and privileges upon honorably discharged soldiers William K. Beldin shall be held and considered as having been honorably discharged from the military service of the United States on June 16, 1925, as a private, Company G, Thirty-eighth Regiment, United States Infantry: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. McKELLAR. Mr. President, I see that in this case fraudulent enlistment is charged. May we have an explanation of the bill?

Mr. DUFFY. Mr. President, I can give a very brief explanation on behalf of the Military Affairs Committee.

The charge was that William K. Beldin falsified when he enlisted in the Army, stating that he had not previously been dishonorably discharged. What happened was that while he had been in the Navy temporarily he had a dishonorable discharge; but, after the matter was investigated, Beldin was exonerated and was given the proper discharge, and the record temporarily made against him was changed. The Government paid him the money that he had coming to him, and then his record was cleared, as he contended at that time it was.

Technically, there may be said to have been a blot on the record until this matter was cleared up; but, as a matter of fact, Beldin was telling the truth, as subsequent events showed. The Military Affairs Committee thought, therefore, that it would be entirely proper to have this record changed so that it would not be held against him, because he was correct in his statement.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF AMERICAN EAGLE

The Senate proceeded to consider the bill (S. 2990) to preserve from extinction the American eagle, emblem of the sovereignty of the United States of America, which was read, as follows:

Be it enacted, etc., That whoever, within the United States or any place subject to the jurisdiction thereof, without being permitted so to do as hereinafter provided, shall take, possess, sell, purchase, offer to sell or purchase, transport, or export, at any time or in any manner, any bald eagle, commonly known as the "American eagle", alive or dead, or any part, nest, or egg thereof, shall be fined not more than $100 or imprisoned not more than 6 months, or both: *Provided*, That nothing herein shall be construed to prohibit possession or transportation of any such eagle, alive or dead, or any part, nest, or egg thereof taken prior to the effective date of this act, but the proof of such taking shall lie upon the accused in any prosecution under this act.

SEC. 2. That whenever after investigation the Secretary of Agriculture shall determine that it is compatible with the preservation of the bald eagle as a species to permit the taking of specimens thereof for the scientific or exhibition purposes of public museums, scientific societies, or zoological parks, or that it is necessary to permit the taking of such eagles for the protection of wildlife or of agricultural or other interests in any place or locality, he may issue permits therefor under regulations which he is hereby authorized to prescribe.

SEC. 3. That for the efficient execution of this act, section 5 of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755; U. S. C., title 16, ch. 7, sec. 706), shall be deemed to be incorporated herein in haec verba, mutatis mutandis.

SEC. 4. That as used in this act "whoever" includes also associations, partnerships, and corporations; "take" includes also pursue, shoot, shoot at, wound, kill, capture, trap, collect, or otherwise willfully molest or disturb; "transport" includes also ship, convey, carry, or transport any means whatever, and deliver or receive, or cause to be delivered or received, for shipment, conveyance, carriage, or transportation.

SEC. 5. That the Secretary of Agriculture is authorized to employ such personal services in the District of Columbia and elsewhere and to incur such expenses as may be necessary to carry this act into effect.

The PRESIDING OFFICER. The Chair suggests an amendment, on page 2, line 24, to insert the word "by", so as to complete the sentence. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 24, after the word "transport", it is proposed to insert the word "by", so that, if amended, it will read:

"Transport" includes also ship, convey, carry, or transport by any means whatever—

And so forth.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2203) to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I have had some objections suggested to that measure. I ask that it go over, though I will say frankly that I am inclined to favor the bill.

Mr. FRAZIER. Mr. President, this is an administration bill.

Mr. KING. Yes; I knew that.

Mr. FRAZIER. It is one for which the authorities have been working for a long time. The committee were very strongly in favor of it.

Mr. KING. A number of Indians have spoken to me in regard to the bill. The Senator knows my profound interest in the Indians and in their welfare. I have been inclined to favor this bill, but in view of the request made, I ask that it go over until the next call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

PENSIONS TO VETERANS OF SPANISH-AMERICAN WAR, ETC.

The bill (H. R. 6995) granting pensions to veterans of the Spanish-American War including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, several Senators have asked me to request that that bill go over for the day. I think one of the Senators has an amendment to offer.

Mr. McGILL. Mr. President, I had hoped this bill might be disposed of today. The House Committee on Pensions held hearings on the bill. No amendments were suggested over there. The bill was passed unanimously by the House of Representatives. The Committee on Pensions of the Senate were called together, and unanimously reported the bill. I should have no particular objection to its going over if it could be made a special order of business of the Senate, for I feel that the bill could be disposed of within a period of 30 minutes to an hour.

Mr. KING. I will join with the Senator in asking for a special order; but the leader is not here at the moment.

Mr. McGILL. I have had no opportunity to take up the matter with the majority leader of the Senate, due to the fact that he has been absent from the floor for part of today, and I had no notice until just now that there would be any objection to the passage of the bill.

Mr. KING. Let me suggest to the Senator that the bill be passed over temporarily and called up later during the day, when the majority leader will be here.

Mr. McGILL. We may not be in session very long. May we have it called again at the conclusion of the call of the calendar?

Mr. McKELLAR. Mr. President, the session is getting very near the end, I hope; and if action is to be had upon this bill—and I think it should be acted upon—we ought to have it as soon as possible.

The PRESIDING OFFICER. Does the Senator from Kansas make a request for unanimous consent?

Mr. McGILL. I ask unanimous consent that the bill be taken up at the conclusion of the call of the calendar and disposed of.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I have no objection to the bill's being passed over and having the Senator renew his application before we adjourn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas that the bill go over until the end of the calendar and be brought up again?

Mr. McGILL. And proceeded to final disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE IN JUDICIAL DISTRICTS OF NORTH CAROLINA

The bill (S. 2513) to provide for a change in the judicial districts of North Carolina with respect to Durham County was announced as next in order.

The PRESIDING OFFICER. This bill is the same as Calendar No. 950, being a House bill, which the clerk will report.

The Senate proceeded to consider the bill (H. R. 7374) to amend section 98 of the Judicial Code to provide for the inclusion of Durham County, N. C., in the middle district of North Carolina, and for other purposes, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2513 will be indefinitely postponed.

UNIFORM SYSTEM OF BANKRUPTCY

The Senate proceeded to consider the bill (S. 3058) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 5, after the word "thereto", to strike out the words "or the rights of such creditors", so as to make the bill read:

Be it enacted, etc., That subsection (n) of section 77B of chapter VIII of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended by the acts of February 5, 1903, June 15, 1906, June 25, 1910, March 2, 1917, January 7, 1922, May 27, 1926, February 11, 1932, March 3, 1933, and June 7, 1934, be, and it is hereby, amended to read as follows:

"(n) Nothing contained in this section shall be construed or be deemed to affect or apply to the creditors of any corporation under a mortgage insured pursuant to the National Housing Act and acts amendatory thereof and supplementary thereto or to the stockholders, creditors, or officers of any corporation operating or owning a railroad or railroads, railway or railways, owned in whole or in part by any municipality and/or owned or operated by a municipality, or under any contract to any municipality by or on its behalf or in conjunction with such municipality under any contract, lease, agreement, certificate, or in any other manner provided by law for such operation: *Provided, however,* That this paragraph shall not apply to or affect any corporation or the stockholders, creditors, or officers thereof, if not more than 20 percent of its operating revenue is derived from such operations."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SHOSHONE TRIBE OF INDIANS

The Senate proceeded to consider the bill (S. 2510) authorizing the western bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims, which had been reported from the Committee on Indians Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That jurisdiction be, and the same is hereby, conferred on the United States Court of Claims, with the right of either party to appeal to the Supreme Court of the United States, anything in the Judicial Code of the United States and amendments thereto to the contrary notwithstanding, regardless of lapse of time and the statute of limitations, to hear, examine, adjudicate, and render judgment for such net amount as may be found due on all legal and equitable claims of the Western Bands of the Shoshone Nation of Indians and the court shall determine as near as may be the boundaries and acreage of the lands described in article 5, under the treaty of October 1, 1863 (18 Stat. L. 689), after deducting the aggregate of any and all payments or expenditures for the benefit of said Indians, including gratuities, between June 26, 1866, and the date of filing petition in the court: *Provided,* That no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets.

SEC. 2. The claims of the said Indians under the provisions of this act shall be presented by petition or petitions setting out fully and distinctly all claims of the Western Shoshone Indians against the United States within 5 years after the passage of this act, or shall be thereafter forever barred. The petition or petitions may be verified by the attorney or attorneys employed by said Indians under contract executed in accordance with existing law. The departments of the Government shall give access to the attorneys so employed to the records pertaining to said Indians on file therein.

SEC. 3. The net proceeds of any judgment recovered shall be placed on deposit in the Treasury to the credit of said Indians at 4 percent interest per annum, and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of lands and building of homes, and no part of said judgment shall be paid out in per capita payments to said Indians: *Provided,* That the court in rendering judgment shall determine and set apart a reasonable fee for and to the attorney or attorneys of said Indians employed in the prosecution of said claims, not to exceed 10 percent of such judgment, if any, together with all reasonable and proper expenses incurred by the said attorney or attorneys in the prosecution of said claim.

Mr. McKELLAR. Mr. President, can any Senator explain what this bill means? Does it mean another imposition on the Treasury?

Mr. FRAZIER. Mr. President, this is simply a bill to allow the Indians to go into the Court of Claims and establish claims which they feel they are justified in asking to have settled.

Mr. McKELLAR. Has not legislation been enacted heretofore which provided for that?

Mr. FRAZIER. Not for this particular group.

Mr. McKELLAR. There has to be a different bill for every group?

Mr. FRAZIER. Yes; there is a bill pending now before the Committee on Indian Affairs to set up a commission to handle all such claims. If that shall be enacted, such bills as this will be referred to the commission. This is the regular form of a Court of Claims jurisdictional bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Western bands of the Shoshone Tribe of Indians to sue in the Court of Claims."

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

The Senate proceeded to consider the bill (S. 1832) a bill to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years, which had been reported from the Committee on Indian Affairs, with amendments, on page 2, line 6, to strike out " (Public, No. 169, Seventieth Congress, first session)" and to insert in lieu thereof the words " (45 Stat. L. 312–313) and as therein provided, and as provided for by the provisions of the contract executed by and with the Secretary of the Interior and the said district"; on page 2, line 15, to strike out the words " Pueblo Indian lands, provided the cost thereof shall in no event exceed the per acre cost for maintenance and operation on non-Indian lands of like character " and to insert in lieu thereof the words, " Pueblo Indian lands as may be irrigable during any particular year, provided the per acre cost assessable against the acreage of newly reclaimed Indian lands shall not exceed the per acre cost of operating and maintaining the district works for the irrigation of the total irrigable area within the district, including the now irrigated and newly reclaimed Indian lands: *Provided,* That any sums appropriated pursuant hereto shall be reimbursable to the United States: *Provided further,* That the district shall be required, by the agreement herein authorized to be executed, to deliver water without discrimination on that part of the newly reclaimed Pueblo lands on which the per acre charge or assessment has been paid: *Provided further,* That the provisions of the contract heretofore executed pursuant to the act of March 13, 1928, requiring the district to recognize the prior and paramount water rights for the approximately 8,346 acres of now irrigated Indian lands and of their exemption from payment of any operation and maintenance or betterment cost, shall be carried into and made a part of the agreement to be executed pursuant hereto ", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to enter into an agreement with Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico, to provide for operation and maintenance on newly reclaimed Pueblo Indian lands, not exceeding 12,600 acres thereof now owned by said Indians, in the Rio Grande Valley, N. Mex., provided said lands have been benefited by improvements constructed under the act of Congress dated March 13, 1928 (45 Stat. L., 312–313), and as therein provided, and as provided for by the provisions of the contract executed by and with the Secretary of the Interior and the said district; and there is hereby authorized to be appropriated annually for a period of not to exceed 5 years, such amount as may be necessary to enable the Secretary of the Interior to pay the cost to Middle Rio Grande Conservancy District of such operation and maintenance on said newly reclaimed Pueblo Indian lands as may be irrigable during any particular year, provided the per acre cost assessable against the acreage of newly reclaimed Indian lands shall not exceed the per acre cost of operating and maintaining the district works for the irrigation of the total irrigable area within the district, including the now irrigated and newly reclaimed Indian lands: *Provided,* That any sums appropriated pursuant hereto shall be reimbursable to the United States: *Provided further,* That the district shall be required by the agreement herein authorized to be executed, to deliver water without discrimination on that part of the newly reclaimed Pueblo lands on which the per acre charge or assessment has been paid: *And provided further,* That the provisions of the contract heretofore executed pursuant to the act of March 13, 1928, requiring the district to recognize the prior and paramount water rights for the approximately 8,346 acres of now irrigated Indian lands and of their exemption from payment of any operation and maintenance or betterment cost shall be carried into and made a part of the agreement to be executed pursuant hereto.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROGUE RIVER SURVEY, OREGON

The bill (H. R. 5774) to authorize a preliminary examination of Rogue River and its tributaries in the State of

Oregon, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

SIUSLAW RIVER SURVEY, OREGON

The bill (H. R. 5775) to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

YAQUINA RIVER SURVEY, OREGON

The bill (H. R. 5776) to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

SILETZ RIVER SURVEY, OREGON

The bill (H. R. 5777) to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon, with a view to the control of its floods, was considerd, ordered to a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, INDIANA

The bill (H. R. 7083) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind., was considered, ordered to a third reading, read the third time, and passed.

GAFFORD CREEK SURVEY, ARKANSAS

The bill (H. R. 7313) authorizing a preliminary examination of Gafford Creek, Ark., was considered, ordered to a third reading, read the third time, and passed.

POINT REMOVE CREEK SURVEY, ARKANSAS

The bill (H. R. 7314) authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River, was considered, ordered to a third reading, read the third time, and passed.

TANANA RIVER AND CHENA SLOUGH SURVEY, ALASKA

The bill (H. R. 7600) authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska, was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION OF PRISON-MADE PRODUCTS

The bill (S. 2904) to prohibit the interstate transportation of prison-made products in certain cases was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, where said goods, wares, and merchandise are intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise in violation of any law of such State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government.

SEC. 2. All packages containing any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners, except convicts or prisoners on parole or probation, or in any penal or reformatory institution, when shipped or transported in interstate or foreign commerce shall be plainly and clearly marked, so that the name and address of the shipper, the name and address of the consignee, the nature of the contents, and the name and location of the penal or reformatory institution where produced wholly or in part may be readily ascertained on an inspection of the outside of such package.

SEC. 3. Any person violating any provision of this act shall for each offense, upon conviction thereof, be punished by a fine of not more than $1,000, and such goods, wares, and merchandise shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law.

SEC. 4. Any violation of this act shall be prosecuted in any court having jurisdiction of crime within the district in which said violation was committed, or from, or into which any such goods, wares, or merchandise may have been carried or transported, or in any Territory, Puerto Rico, Virgin Islands, or the District of Columbia, contrary to the provisions of this act.

TRADE IN ARMS, AMMUNITION, AND IMPLEMENTS OF WAR

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. McKELLAR. Mr. President, I think it will take more than 5 minutes to consider this bill, and therefore I ask that it go over.

Mr. POPE. I think it would not take 5 minutes.

Mr. McKELLAR. It is a very important bill, is it not? I hope the Senator will let it go over until I have a chance to examine it. It is too long for me to examine at this time.

Mr. POPE. Will the Senator object if we bring it up later in the day if we have time?

Mr. McKELLAR. Just let it go over for the present, and I will examine the bill and confer with the Senator about it.

The PRESIDING OFFICER (Mr. HATCH in the chair). Objection is heard, and the bill will be passed over.

CATHERINE GRACE

The bill (S. 2879) for the relief of Catherine Grace was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator explain this bill?

Mr. COPELAND. Mr. President, let it go over for a moment.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

Mr. COPELAND subsequently said: Mr. President, I ask to return to Calendar No. 963, being Senate bill 2879, for the relief of Catherine Grace. This is a claim of the widow of the American consul at Sheffield, England.

Mr. McKELLAR. Mr. President, when did the practice grow up of having independent bills for these matters?

Mr. COPELAND. It has grown up from the fact that we have not done exactly what the Senator has in mind.

Mr. McKELLAR. Will not the Senator investigate the matter and report a bill which will be right and fair and just? I doubt very much whether the system which has grown up of having independent bills for these claims is a good one. I do not think so.

Mr. COPELAND. I agree fully with the Senator, and for 10 years I have had in the Senate, bills proposing just what he has in mind.

Mr. McKELLAR. I wish the Senator would devote a little time to such a measure and have it enacted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the Senate proceeded to consider the bill (S. 2879) for the relief of Catherine Grace, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Grace, widow of William J. Grace, late American consul at Sheffield, England, the sum of $4,500, such sum representing 1 year's salary of her deceased husband, who died at his post of duty on February 11, 1933.

NELLIE T. FRANCIS

The Senate proceeded to consider the bill (H. R. 3574) for the relief of Nellie T. Francis, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nellie T. Francis, widow of William T. Francis, late minister resident and consul general at Monrovia, Liberia, the sum of $5,000, equal to 1 year's salary of her deceased husband.

Mr. McKELLAR. Mr. President, I shall not object to this bill and the next one, but I think the policy which is being pursued as to these bills is a great strain on the Government, and I think there should be a general law covering such cases. At the next session I shall insist that we consider a measure in reference to such matters.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LILY M. MILLER

The bill (H. R. 7254) for the relief of Lily M. Miller, was considered, ordered to a third reading, read the third time, and passed.

FRED HERRICK

The bill (S. 491) for the relief of Fred Herrick was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. SMITH subsequently said: Mr. President, Senate bill 491, for the relief of Fred Herrick, has been called and went over under objection. A bill similar to this passed at a previous session. It is the most obviously fair measure on the calendar.

Mr. McKELLAR. Mr. President, will the Senator explain it?

Mr. SMITH. The claimant in this case had a contract with the Government to cut timber in the forest referred to. He contracted to cut the timber, he built a railroad into the forest, he built timber roads, but the depression came, and he became bankrupt.

He did not cut any of the timber. The Government then sued for liquidated damages and got the $50,000 he had deposited. Then, out of the property this man had to abandon, and the timber he had to leave, the Government made a clear profit over and above everything of $52,000. The Department of Agriculture heartily recommends the passage of this bill.

Mr. McKELLAR. Mr. President, the trouble is that the record says that the Department is opposed to the bill.

Mr. SMITH. I will read the Senator what the Department told the committee.

Mr. McKELLAR. Very well.

Mr. SMITH. The Senator has the wrong matter before him.

Mr. McKELLAR. I hope I have.

Mr. SMITH. The facts I have stated are of record. When the man went bankrupt he released his holdings. The Government had all the property it had leased to him, together with the improvements he made; the Government had all the timber it had sold him, had his railroad, and the logging roads, and made, according to its own books, $52,000 on the project. It seems to me this man should be reimbursed for the liquidated damages he was called upon to pay, in view of the fact that the Government was the beneficiary by $52,000 over and above all expenses.

Mr. McKELLAR. Here is what the Department says about the matter:

> Upon the question of the enactment of this bill, this Department can make no recommendation.

Which is virtually a recommendation against the bill.

Mr. SMITH. Oh, no, Mr. President! Under the law they might not be able to make a recommendation, but to the committee they did not hesitate to make it. Knowing the facts as the members of my committee know them, surely we in the Senate do not desire to quibble over a technicality when a disaster overtook a citizen of this country, and he had to abandon his lease from the Government, and the Government made money by the process. The Government did not lose money. In such a case the citizen should be reimbursed to the amount of the liquidated damages the Government collected.

Those are the facts.

Mr. McKELLAR. What would happen if we appropriated that money under this bill? The money would go to his creditors. He has gone into bankruptcy.

Mr. SMITH. It does not make a particle of difference to whom the money goes. If it was due him and his creditors, it is up to us to deal fairly with a claim which is as fair as is this one.

Mr. McKELLAR. I think it is absolutely the duty of the Government to deal fairly; but the question is, Are we dealing fairly in taking this money and turning it over to Mr. Herrick's creditors?

I read from the report:

> On June 15, 1923, the Department of Agriculture through the Forest Service entered into a contract with Fred Herrick whereby the latter became the purchaser of certain timber in the Malheur National Forests in Harney and Grant Counties in the State of Oregon. The terms of the agreement provided for the time of the cutting and removal of the timber and required a deposit of $50,000 of Liberty bonds to be retained by the United States in satisfaction of liquidated damages in case of breach of contract.
>
> At the time this contract was entered into, Mr. Herrick was a wealthy man and a large operator, owning timber in several States, and expected to finance his operations through conversion of some of these assets. He expended considerably more than a million dollars in constructing a common-carrier railroad to this timber territory and erected a large modern concrete and steel sawmill and completed logging roads through the timber, some 50 miles in length.
>
> The lumber industry became depressed.

The lumber industry became depressed and the claimant did not succeed. Now he wishes to have the $50,000 restored to him. He never would have asked it if the contract had gone through. That was his contract. He failed in that, just as he failed in business. I do not see that the Government is in any way obligated to return the money.

Mr. SMITH. But the Senator must remember that the Government has been utilizing the improvements he put in, and he was not a beneficiary of them on account of the depression. God knows we have appropriated enough money to those who do not benefit the Government. We have appropriated enough money to benefit those who have not benefited anyone.

If I may continue to have the floor for a few moments, when I finish my explanation, if the Senator from Tennessee and other Senators do not think this is a just claim, I shall have no more to say.

This man in good faith leased this timberland from the Government. He made all ordinary improvements. Then the depression came, and he went bankrupt. The amount he had deposited by way of liquidated damages, of course, the Government acquired, according to the contract. However, in the resale of the timber the Government made a profit of $52,000, and all that is now asked is that the $50,000 shall be returned to Mr. Herrick.

It does not make any difference whether his creditors or his family get the money. Those to whom he was under obligation naturally have as just and honest a claim on his assets as his family itself. It makes no difference to me whether the $50,000 is turned over to his creditors or to his family. His family certainly enjoyed the $50,000 which his creditors had extended to him, and the creditors have just as much right to whatever the Government may have of his as has his family. In view of our liberality to others to whom we are pouring out money, it seems to me that a just claim such as this ought to be met.

Mr. STEIWER. Mr. President, I should like to make a brief statement. I think the Senator from Tennessee [Mr. McKELLAR] will not wish to object to the bill when he understands something more of the facts.

The United States Forest Service has a very large body of fine timber in the area involved in this discussion. It was desired to sell that timber on what is called a "sustained-yield basis." In order to put it on that basis, the United States found it necessary to control the right of the cut and supervise the whole operation rather than merely to sell stumpage outright and permit the purchaser to use his own means of removal of the timber.

A contract was made with Mr. Herrick at a time when I am sure he thought he was financially able to carry it out.

The depression, however, ruined him in all his operations. After he had expended very large sums of money in the development of the property, the building of the railroad, and the commencement of a sawmill, which he never completed, he became bankrupt, and actually went through the bankruptcy court, and was adjudicated a bankrupt. He was not able to proceed. The Government, therefore, in the protection of its own rights, still having possession of its timber, to effect the possession of its own rights and to prevent the Government's rights being involved in controversy with creditors, and matters of that sort, canceled the contract.

I personally fully approve that. It was done some years ago after I became United States Senator.

Mr. McKELLAR. Was that done by agreement?

Mr. STEIWER. No; not by agreement. The Government exercised its right to cancel. I remember that the Chief Forester consulted the Senator from Oregon [Mr. McNARY] and myself.

Mr. McKELLAR. That was because the contractor had not carried out his agreement?

Mr. STEIWER. Because he could not. The Government did not wish to be involved in controversy between him and his creditors. The Government exercised its right to cancel its contract and then readvertised the timber. I think the bid price, Mr. Herrick's price, was $2.50 a thousand. On the new sale and the new advertisements the same timber was sold for $2.86 a thousand. The Government, therefore, was better off than otherwise it would have been.

Mr. McKELLAR. Has the sale gone through?

Mr. STEIWER. Oh, yes; to the purchaser.

Mr. McKELLAR. Has he paid the money?

Mr. STEIWER. He has made payment, kept his contract, and built a sawmill which cost a million dollars.

Mr. McKELLAR. Did not the Department make a report on this matter?

Mr. STEIWER. It did.

Mr. McKELLAR. May we not have that report?

Mr. STEIWER. The committee has the report. I read the report. The report states these facts.

Mr. McKELLAR. But it did not recommend the payment of this sum.

Mr. STEIWER. The Department declined to recommend either for or against the payment; I do not know why. Sometimes, however, our departments take the position that legislation is a matter of policy, and that Congress should determine the policy.

Let me go a little further. The United States not only retained all its property but it has suffered no actual damage. It was entitled, however, as a matter of law, to the recovery of the penalties stipulated in the contract. Mr. Herrick is a very old man. I cannot tell the Senate his exact age, but I think he is more than 75 years of age. He is now living in considerable distress, and suffering from want. I cannot conceive that there is any moral justification for the retention of this money.

Mr. McKELLAR. Have any attorneys been employed? Ought there not to be a provision in the bill for the limitation of attorneys' fees?

Mr. STEIWER. Mr. President, I think it would be very well if there were in the bill a provision for the limitation of attorneys' fees. I do not know that there are any attorneys in the matter.

Mr. McKELLAR. I should like the Senator to let the bill go over, and let us see the report of the Department of Agriculture. If it is a just claim, of course it ought to be paid, or the money refunded.

Mr. STEIWER. I am sure it is a just claim.

Mr. McKELLAR. But there ought to be a provision in the bill with reference to a limitation of lawyers' fees.

Mr. STEIWER. I am sure it is a just claim. I have no objection to the usual provision about attorneys' fees. I do not know that any attorney is seeking to take his proportionate share of this money. I am entirely convinced that such a provision ought to be in the bill.

Before I conclude I may say also to the Senator from Tennessee that a similar bill was introduced at the last session, and a hearing was held upon it by the Committee on Agriculture and Forestry, and both the subcommittee and the full committee at that time reported favorably, and the Senate passed the bill. It failed in the last days of the session in the House of Representatives. The bill was again introduced in this session, referred to the Committee on Agriculture and Forestry, and the junior Senator from Washington [Mr. SCHWELLENBACH], in order to satisfy himself, held it up, and there has been some little delay. He held it up, so he tells me, while he wrote a letter to the United States district attorney at Spokane, who had some connection with the bankruptcy proceeding. After the Senator had made inquiry in his own way he reached the conclusion that it was a just and fair claim, and, being a member of the committee, himself reported the bill favorably to the Senate. So it has been very fully examined by all concerned with it. I am sure the Senator from Tennessee does not wish to object to it, unless he desires to add to the bill the amendment he suggests. If that is proposed, I shall have no objection. The bill might go over, and we will prepare the necessary amendment between now and the next call of the calendar.

Mr. McKELLAR. Very well. Let it take that course.

The PRESIDING OFFICER. The bill will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 324) to provide revenue, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

E. C. WEST

The bill (H. R. 4368) for the relief of E. C. West was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. West, of Dunn, N. C., the sum of $201.59 in full settlement of all claims against the United States for substitute-clerk hire paid by him from December 31, 1921, to September 30, 1922, while acting as postmaster at Dunn, N. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 148) granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire was announced as next in order.

Mr. McKELLAR. Mr. President, in the absence of the author of the joint resolution, I will ask that it go over for the day.

The PRESIDING OFFICER. The joint resolution will be passed over.

WILLIAM A. DEVINE

The bill (S. 2806) for the relief of William A. Devine was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Civil Service Commission is authorized and directed to pay, out of the civil-service retirement and disability fund, to William A. Devine, formerly postmaster at Madison, Wis., the sum of $812.23, such sum representing the payment made by him on October 2, 1926, to such fund for the purpose of receiving service credit for the time from August 1, 1920, to June 30, 1926, when, in fact, he was entitled to the maximum benefits of the civil-service retirement laws without making such payment.

BILL PASSED OVER

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MOSES ISRAEL

The Senate proceeded to consider the bill (H. R. 5393) for the relief of Moses Israel, which had been reported from the Committee on Claims, with an amendment, on page 6, after the words "sum of", to strike out "$3,500" and insert "$2,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Moses Israel the sum of $2,500 in full settlement of all claims against the United States for damages suffered by reason of being struck and injured by a Government automobile which was driven by an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 8297) to amend so much of the First Deficiency Appropriation Act, fiscal year 1921, approved March 1, 1921, as relates to the printing and distribution of a revised edition of Hinds' Parliamentary Precedents of the House of Representatives was announced as next in order.

Mr. COPELAND. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JACK PAGE

The Senate proceeded to consider the bill (H. R. 298) for the relief of Jack Page, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 1, after the date "November 1, 1898", to strike out "and that the Secretary of War is authorized and directed to issue to said Jack Page, an honorable discharge from said unit which shall recite that such service was rendered from May 1, to November 1, 1898", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Jack Page shall hereafter be held and considered to have enlisted in Company M, First Regiment Alabama Volunteer Infantry, on May 1, 1898, and to have served until honorably discharged as a member of that organization on November 1, 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the pasage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLAIMS OF GRAIN ELEVATORS AND FIRMS

The Senate proceeded to consider the joint resolution (S. J. Res. 72) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President, which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. ROBINSON. Mr. President, this appears to be a measure of considerable importance. I think it should be discussed before action is taken on it.

Mr. SHIPSTEAD. Mr. President, due to the fact that the senior Senator from Kansas [Mr. CAPPER] has been compelled to go home by reason of sickness in his family, I can say that on two previous occasions the Senate has passed measures identical with this, with the exception that in this joint resolution there is a provision that the compensation paid attorneys shall not exceed 10 percent. In addition to having previously passed the Senate twice, a similar joint resolution has also passed the House twice, but because of some ruling of the Comptroller General in neither instance was the joint resolution finally enacted. The joint resolution was reintroduced to meet the objections of the Comptroller General. It is of a technical nature, and if it is to be discussed thoroughly it cannot very well be done in 5 minutes, although it has been gone over thoroughly heretofore.

The caption of the joint resolution explains its purpose, namely:

Authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat in the years 1919 and 1920 as per a certain contract authorized by the President.

There were many contracts authorized by the President. The large elevator companies were able to obtain settlement, whereas the small companies, the farmers' cooperatives, having claims as low as $10 and up to $800, the highest being, I think, $800, felt that the amounts in question were so small that they, as individuals, could not afford to litigate against the Government in order to collect them. So they have come here for redress.

Mr. ROBINSON. I understand the recommendation of the Department of Agriculture is favorable to the joint resolution.

Mr. NYE. It is.

Mr. SHIPSTEAD. The Senator from Arkansas is correct.

Mr. ROBINSON. I make no objection to the consideration of the bill.

The PRESIDING OFFICER. The amendment reported by the committee will be stated.

The CHIEF CLERK. On page 8, at the beginning of line 12, it is proposed to strike out "25" and insert "10", so as to make the joint resolution read:

Whereas it is provided in the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel (ch. 53, 40 Stat. L., approved August 10, 1917, and ch. 125, 40 Stat. L., approved March 4, 1919), wherein the President was authorized to determine and fix a guaranteed price, to be paid producers of wheat, and wherein the President was further authorized as follows:

"Whenever the President shall find it essential in order to carry out the guaranties aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, he is authorized to make reasonable compensation for handling, transportation, insurance, and other charges with respect to wheat and wheat flour of said crops and for storage thereof in elevators, on farms and elsewhere";

and

Whereas the President by an Executive order (no. 3087), dated May 14, 1919, in pursuance of the power conferred on him by said act, did order as follows:

"I further find it essential and hereby direct that in order to carry out the guaranties made producers of wheat of the crops of 1919, and to protect the United States against undue enhancement of its liabilities thereunder, the United States wheat director utilize the services of the Food Administration Grain Corporation (now the United States Grain Corporation by reason of a change of name authorized by Executive order) as an agency of the United States, and I authorize the Food Administration Grain Corporation * * * to enter into such voluntary agreements to make such arrangements and to and perform all such acts and things as may be necessary to carry out the purposes of said act";

and

Whereas the United States Grain Corporation, in pursuance of said Executive order, and, for the purpose of carrying out and making effective the guaranteed price, made, and entered into, a certain contract, known as the "Grain Dealers' Agreement", with various independent and farmer grain firms and grain-elevator companies in Montana, North Dakota, South Dakota, Minnesota, Nebraska, Kansas, Iowa, Missouri, Wyoming, and Oklahoma, and wherein it was agreed as follows:

"Fourth. In case the dealer (the elevator firms) shall be unable, after using every effort and all diligence to ship in any week such total of grain as makes the equivalent of at least 20 percent of the amount of wheat in his elevator and owned by him at the beginning of such week, the Grain Corporation shall pay to the dealer to cover insurance and interest for such week seven-twentieths of 1 cent per bushel on the wheat in the elevator owned by him at the beginning of such week";

and

Whereas the President, in an Executive order (no. 3320) dated August 21, 1920, did approve, ratify, and confirm all acts done or authorized by the said United States Grain Corporation in carrying out and making said guaranteed price effective; and

Whereas all said grain dealers (the elevator firms) under the terms of said grain dealers' contract, were required by said United

States Grain Corporation to, and in accordance therewith each said grain dealer did, make prescribed written weekly reports to said United States Grain Corporation; and in due course there was duly and truly entered from said weekly reports upon the books of said United States Grain Corporation by said United States Grain Corporation as money earned by said grain dealers, and each of them, under the terms of said contract, and as justly due and truly owing to each said grain dealers from said United States Grain Corporation, the several sums of money, as reported by the Department of Commerce in its reports filed with the Secretary of the Senate, to which reports reference is hereinafter made; and

Whereas all the records, books of account, and files of the United States Grain Corporation were placed in the custody of the Department of Commerce by and pursuant to an Executive order (no. 4791) of the President, dated the 31st day of December 1927, and were in the custody of the Department of Commerce at the time of the making and filing with the Senate of the reports of the Department of Commerce hereinafter mentioned; and

Whereas on the 18th day of June 1929 the Senate of the United States duly adopted Senate Resolution 98 (71st Cong., 1st sess.), directing the Department of Commerce to furnish the Senate and file with the Secretary of the Senate the names and addresses of each person, firm, or corporation as they appear on the books and records of the United States Grain Corporation, who have, or appear to have, therefrom, a claim against the United States Grain Corporation or the United States, unpaid, in whole or in part, for such interest and insurance under and by virtue of said contract; and the respective amounts entered on said books and records as apparently earned by each said person, firm, and corporation under and by virtue of said contract; and

Whereas in pursuance of said resolution (no. 98) of the Senate, the Department of Commerce, subsequent to the adoption thereof and prior to the 14th day of December 1929, did furnish the Senate and did file with the Senate written reports wherein the Department of Commerce set forth the names and addresses of divers persons, firms, corporations, and grain dealers, and therein, further, did set forth opposite said names and addresses the respective amounts actually entered upon the records and books of the said United States Grain Corporation as accrued under the terms of said grain dealers' contract, to said persons, firms, corporations, and grain dealers; reference to said reports so filed being hereby made for greater particularity; and

Whereas it appears from said reports of said Department of Commerce, so filed with the Senate, that all the amounts and credits due from said United States Grain Corporation under said grain dealers' contract to the persons, firms, and corporations named in said reports still remain unpaid; and

Whereas said persons, firms, corporations, and grain dealers named in said reports of said Department of Commerce are now, and therefore have been, making claim for payment thereof: Now, therefore, be it

Resolved, etc., That the Comptroller General of the United States, upon the filing with his office of an affidavit by any person, firm, corporation, or grain dealer named in said reports of the said Department of Commerce, so filed with the Secretary of the Senate, or by an officer of said person, firm, corporation, or grain dealer, or the successor or legal representative of such person, firm, corporation, or grain dealer, stating that the person, firm, corporation, or grain dealer making said affidavit is the identical person, firm, corporation, or grain dealer named in said reports of said Department of Commerce or is the successor or legal representative of such person, firm, corporation, or grain dealer, and, as such, is entitled to receive payment of the respective amount stated in said report of said Department of Commerce as filed with the Secretary of the Senate and therein set opposite the several names of such person, firm, corporation, or grain dealer, shall, forthwith, certify to the Secretary of the Treasury of the United States for payment to such person, firm, corporation, or grain dealer, together with the reasonable and necessary expense incident to the administration of this resolution, in the office of the Comptroller General of the United States, out of any funds of the United States Grain Corporation now in the possession of the United States, or out of any funds in the United States Treasury not otherwise appropriated, the respective amounts stated in said reports of the Department of Commerce filed with the Secretary of the Senate and therein set opposite the name and address of said person, firm, corporation, or grain dealer making said affidavit or in whose behalf said affidavit is made; and in this connection and upon filing of said affidavit, it shall be taken as the fact that all conditions and acts necessary to authorize payment of said amounts set opposite the names and addresses of each of said persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce have been duly complied with and performed by such persons, firms, corporations, or grain dealers; or if it appears hereafter from the books or records of the United States Grain Corporation, or said weekly reports, that any other or additional amounts were earned, or apparently earned, by the persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce, now filed with the Secretary of the Senate, under the terms of said grain dealers' contract, and that said additional amounts remain unpaid; or if it appears from the books or records of the United States Grain Corporation or said weekly reports that any person, firm, corporation, or grain dealer not named in said reports of said Department of Commerce, now on file with the Secretary of the Senate, has earned or apparently earned, under the terms of said grain dealers' contract, and in the manner hereinbefore set forth, any sum, and that said sum now remains unpaid, the Comptroller General of the United States is hereby authorized and directed to, and he shall forthwith, upon the filing with his office by any such person, firm, corporation, or grain dealer, or an officer thereof, or the successor or legal representative of such person, of an affidavit stating that the person making said affidavit is the identical person, firm, corporation, or grain dealer, or an officer thereof, or the successor or legal representative of such person named in the books, records, or weekly reports and as such is entitled to receive payment of said additional amount disclosed by the books or records of the United States Grain Corporation, or said weekly reports, and that said sum is unpaid, certify said additional amounts to the Secretary of the Treasury for payment to said several persons making said affidavit or in whose behalf said affidavit is made, and upon the filing of said affidavit last mentioned it shall also be taken as a fact that all conditions and acts necessary to authorize payment of said additional amounts have been duly complied with and performed by each person, firm, corporation, or grain dealer making said affidavit, or in whose behalf said affidavit is made: *Provided*, That the amount to be paid by such persons, firms, corporations, or grain dealers to their attorneys as fees, exclusive of their expenses, shall not exceed 10 percent of the amount so paid to each such person, firm, corporation, or grain dealer hereunder.

SEC. 2. The resolution entitled "Joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest in wheat during the years 1919 and 1920 as per a certain contract authorized by the President", approved February 4, 1929, as amended, is hereby repealed.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

FUNDS OF FEDERAL PRISONERS

The bill (S. 3120) to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to transfer, out of any moneys in the Treasury not otherwise appropriated, to the trust fund in the United States Treasury entitled "Funds of Federal prisoners", the sum of $685.62, which amount represents the loss sustained by said fund as a result of the failure of the State Savings Bank, of Leavenworth, Kans., in which part of said fund was formerly deposited. W. I. Biddle, formerly warden and special disbursing officer of the United States Penitentiary at Leavenworth, Kans., and the sureties on his bonds as warden and special disbursing officer are hereby released from all liability on account of the loss sustained by the said fund.

GEORGE W. HALLOWELL, JR.

The Senate proceeded to consider the bill (S. 2434) for the relief of George W. Hallowell, Jr., which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 7, after the words "sum of", to strike out "$438" and insert "$159.63", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Hallowell, Jr., sergeant, Ninth Squadron, United States Army Air Corps, the sum of $159.63 in full satisfaction of all claims against the United States of the said George W. Hallowell, Jr., for loss of certain personal property and tools on December 5, 1932, when an Army plane of which he was a member of the crew fell into the ocean as a result of the failure of the right motor while making certain speed tests pursuant to operations order no. 234, Eleventh Bombardment Squadron, Air Corps, March Field, Riverside, Calif., dated December 5, 1932.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INSTRUCTION OF PHILIPPINE CITIZENS AT THE MILITARY ACADEMY

The Senate proceeded to consider the bill (S. 2399) to permit citizens of the Philippine Islands to receive instruction at the United States Military Academy, which had been reported from the Committee on Military Affairs with an amendment, on line 8, after the word "regulation", to insert "and in such numbers", so as to make the bill read:

Be it enacted, etc., That upon the establishment of the Commonwealth of the Philippine Islands and pending the final and complete withdrawal of the sovereignty of the United States over said islands, and solely at the expense of said Commonwealth, the Secretary of War is hereby authorized, under such regulations and in

such numbers as he may prescribe, to permit citizens of the Philippine Islands to receive instruction at the United States Military Academy.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the "Oliver Wendell Holmes Memorial Fund" was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have the joint resolution go over. I do not recall that the Committee on the Library has discussed it, and I do not see the chairman of that committee present.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1381) to amend the act approved February 13, 1925, entitled "An act to amend the Judicial Code, and to further define the jurisdiction of the Circuit Courts of Appeals and of the Supreme Court, and for other purposes", was announced as next in order.

Mr. ROBINSON. Mr. President, I think that a bill of this character ought to be explained. I do not know what the recommendation of the Department is. I have not had an opportunity of examining the record, and I suggest that the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

DEPOSITIONS IN CRIMINAL PROCEEDINGS

The bill (S. 1382) to provide for the taking of depositions in criminal proceedings, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the testimony of any witness may be taken by any party in any criminal proceeding by deposition de bene esse at any time before trial and subsequently to the arrest of the accused, the finding of any indictment, or the filing of any information or complaint.

SEC. 2. Reasonable notice shall be given in writing by the party proposing to take such deposition or by the attorney for such party to the attorneys for every other party to the proceeding, which notice shall state the name of the witness or witnesses and the time and place of the taking of such deposition. The deposition shall be taken before any judge of any court of the United States or before a United States commissioner. Any person may be compelled to appear and testify as provided by this act in the same manner as witnesses may be compelled to appear and testify in court.

SEC. 3. If the deposition is taken in behalf of the United States, and if any defendant or defendants are in custody, the officer having custody of such defendant or defendants shall be notified of the time and place set for such examination, and shall produce the defendant or defendants thereat, and shall keep him or them in the presence and hearing of the witness or witnesses during the examination.

SEC. 4. Any deposition taken under authority of this act shall be transmitted to the court having jurisdiction of the offense in accordance with the provisions of section 865 of the Revised Statutes (U. S. C., title 28, sec. 641).

SEC. 5. The deposition, including direct- and cross-examination, may be read in evidence at the trial by any party if it appears to the satisfaction of the court that (1) the witness is deceased, or (2) is unable to attend the trial because of sickness or infirmity, or, (3) by procurement of any defendant, has avoided the service of process or otherwise has been prevented from attending the trial, or (4) is not within the jurisdiction of the court.

ST. JOHN RIVER BRIDGE BETWEEN MAINE AND NEW BRUNSWICK

The bill (H. R. 4505) granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, New Brunswick, Canada, was considered, ordered to a third reading, read the third time, and passed.

SABINE RIVER BRIDGES, LOUISIANA AND TEXAS

The bill (H. R. 6988) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 21 meets Texas Highway No. 45 was considered, ordered to a third reading, read the third time, and passed.

The bill (H. R. 7044) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 6, in Sabine Parish, La., meets Texas Highway No. 21, in Sabine County, Tex., was considered, ordered to a third reading, read the third time, and passed.

PURGATOIRE AND APISHAPA RIVERS, COLORADO

The bill (H. R. 7870) to provide a preliminary examination of the Purgatoire (Picketwire) and Apishapa Rivers, in the State of Colorado, with a view to the control of their floods and the conservation of their waters was considered, ordered to a third reading, read the third time, and passed.

WAIVER OF JURY TRIAL

The bill (S. 2617) to amend the Judicial Code to permit defendants in criminal cases to waive trial by jury was announced as next in order.

Mr. McGILL. I ask that the bill go over.

Mr. HATCH. Mr. President, I happen to know that the Senator from Kansas objected to this bill when it was before the committee, but at the last meeting of the committee the Senator from Kansas was not present, at which time the question was raised as to whether Congress could empower or authorize a defendant to waive trial by jury in a felony case and whether the Constitution would prevent his so doing. We obtained a letter from the Attorney General who explained that this bill is one which had been recommended by the conference on crime. He also submitted to us a decision of the Supreme Court of the United States in which that Court held that the defendant may waive jury trial even in a felony case.

The bill if enacted would merely add, I think, to the existing law the protection to the defendant that the waiver must be made in person in open court, and a record made of the waiver. It could not be done by counsel. That would be an added protection and safeguard to the defendant. With that explanation, I wonder if the Senator from Kansas might withdraw his objection to the bill?

Mr. McGILL. Mr. President, it is true that I was not present at the meeting of the Committee on the Judiciary at the time this bill was reported, nor had I been advised until now that there had been an opinion rendered to the committee by the Attorney General. I shall be very much interested in reading some of the decisions referred to by him, inasmuch as, if they hold as the Senator from New Mexico has indicated, they are contrary to earlier decisions which have held that in a prosecution in a felony case the accused is entitled to the right of trial by jury and that right cannot be taken away. I am opposed to this measure as a matter of principle.

My judgment is that if the courts are vested with this authority—and I am not questioning the integrity of the courts—the courts and prosecuting officers are quite likely to cause defendants, accused persons in felony cases to waive their right of trial by jury in order that a lesser penalty may be imposed in case of conviction. I object to the passage of the bill as a matter of principle.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. McKELLAR. I will read from article 3 of the Constitution. Of course the Constitution is largely an extinct document at the present time, but I want to call the attention of the Senate to this provision:

The trial of all crimes, except in cases of impeachment, shall be by jury.

Mr. McGILL. That is where there is a trial.

Mr. McKELLAR. Yes. I read from amendment seven of the Constitution.

In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved, and no fact tried by jury shall be otherwise re-examined in any court of the United States, than according to the rules of the common law.

I wish to say that I object to the bill on principle.

Notwithstanding the opinion of the Attorney General, I think that the right of trial by jury should be kept inviolate in this country; I am opposed to this bill, and I hope it will not be passed.

Mr. McNARY. Mr. President, inasmuch as the matter is in controversy I shall object to the present consideration of the bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HATCH. Mr. President, merely in reply to the suggestion with reference to the constitutional provisions, I desire to say that those provisions have been uniformly held by the courts to be for the protection of the defendant and that that right cannot be taken away from him. The bill does not attempt to deprive the defendant of any right whatever. Under the decisions of the Supreme Court of the United States, the state of the law which now exists is recognized, and the bill would throw another safeguard around the defendant. I think Senators who are objecting as a matter of principle are doing that which they would not desire to do if they understood the real purpose of the bill.

Mr. McKELLAR. Mr. President, for 150 years we have considered the right of trial by jury as a constitutional right. I do not think we ought to overrule that principle after 150 years of very satisfactory application.

Mr. LA FOLLETTE. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The bill has been passed over on objection. The next order of business will be stated.

BILLS PASSED OVER

The bill (H. R. 29) to amend the laws relating to proctors' and marshals' fees and bonds, and stipulations in suits in admiralty was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3038) to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration facility, Alexandria, La., was announced as next in order.

Mr. McKELLAR. Mr. President, as no one seems to be interested in the bill I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2303) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

REPATRIATION OF CERTAIN INSANE AMERICAN CITIZENS

The bill (S. 2369) to amend an act entitled "An act to provide for the repatriation of certain insane American citizens", approved March 2, 1929 (45 Stat. 1495), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon the application of the Secretary of State, the Secretary of the Interior is authorized to transfer to St. Elizabeths Hospital, in the District of Columbia, for treatment, all citizens of the United States legally adjudged insane in any foreign country, colony, or dependency, whose legal residence in one of the States, Territories, or possessions of the United States, or the District of Columbia, it has been impossible to establish. Upon the ascertainment of the legal residence of persons so transferred to the hospital, the superintendent of the hospital shall thereupon transfer such persons to their respective places of residence, and the expenses attendant thereon shall be paid from the appropriation for the support of the hospital.

Upon the request of any such patient, his relatives, or friends, he shall have a hearing in the Supreme Court of the District of Columbia upon his mental condition and the right of the superintendent of St. Elizabeths Hospital to hold him for treatment.

The President shall have power to enter into executive agreements with foreign countries providing for the reciprocal repatriation of insane persons, and for their transportation, care, and treatment.

COMPROMISE OF CERTAIN INSURANCE CONTRACTS

The bill (S. 1892) to amend the act authorizing the Attorney General to compromise suits on certain contracts of insurance was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sixth paragraph following the subtitle "Veterans' Administration" in the Independent Offices Appropriation Act, 1934, approved June 16, 1933 (48 Stat. 283, ch. 101), be, and the same is hereby, amended to read as follows:

"That the Attorney General of the United States is hereby authorized to agree to a judgment to be rendered by the presiding judge of the United States court having jurisdiction of the case, pursuant to compromise approved by the Attorney General upon the recommendation of the United States attorney charged with the defense, upon such terms and for such sums within the amount claimed to be payable, in any suit brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly, renewable term insurance or Government-converted life insurance, which may be now pending or hereafter may be filed, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments in accordance with any such judgment: *Provided*, That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing officers of the Veterans' Administration for all payments of insurance made in accordance with any such judgment: *Provided further*, That all such judgments shall constitute final settlement of the claim and no appeal therefrom shall be authorized."

INTEREST OF UNITED STATES IN BANKRUPTCY CASES

The Senate proceeded to consider the bill (S. 2744) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and acts amendatory thereof and supplementary thereto", which was read, as follows:

Be it enacted, etc., That the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be, and is hereby, amended by striking out the last sentence of subdivision (e), clause (1), of section 77B, and inserting in lieu thereof the following: "If the United States of America, or any agency thereof, or any corporation the majority of the stock of which is owned by the United States of America, is a creditor or stockholder of the corporation seeking reorganization under this section, the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of such interests or claims of the United States which shall be deemed to be affected by the plan. As long as the United States of America, or any agency thereof, or any corporation the majority of the stock of which is owned by the United States of America, is a creditor or stockholder of the corporation seeking reorganization under this section, no plan of reorganization which does not provide for payment in full of such interests or claims of the United States within 90 days after confirmation by the judge shall be confirmed in any proceeding under this section except upon the acceptance, as aforesaid, by the Secretary of the Treasury, certified to the court."

Mr. ROBINSON. Mr. President, may I ask the Senator from Arizona [Mr. ASHURST], who introduced the bill, to explain the changes proposed to be made in the law?

Mr. ASHURST. Mr. President, I shall be glad to do so. The bill was introduced at the request of the Treasury Department.

There was a subcommittee of three or five members of the Judiciary Committee which considered the measure. My information is that they held hearings, and two witnesses were heard. The Department, as I have said, drew the bill. Of course, I approve it and think it is necessary.

Mr. ROBINSON. I do not object to the consideration of the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

M'NEIL ISLAND LAND ACQUISITION

The Senate proceeded to consider the bill (S. 3059) to authorize the acquisition of land on McNeil Island, which was read, as follows:

Be it enacted, etc., That the Attorney General is hereby authorized to acquire by condemnation proceedings all of that portion of McNeil Island which is not now owned by the United States, Gertrudis Island, and Pitt Island, all in the State of Washington, at a total cost of not to exceed $300,000.

Mr. ASHURST. Mr. President, this bill was drawn by the Department of Justice. It looks toward the acquisition of land on McNeil Island for the enlargement of the Federal prison. It has been examined by the Judiciary Committee and reported favorably.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OLIVER WENDELL HOLMES MEMORIAL FUND

Mr. ASHURST. Mr. President, I ask unanimous consent to recur to Calendar 980, being the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the "Oliver Wendell Holmes Memorial Fund."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McKELLAR. Mr. President, I may say to the Senator from Arizona that I objected to the consideration of the joint resolution when it was called because the Senator from Kentucky [Mr. BARKLEY] was not present. The Committee on the Library, of which I happen to be a member, had the measure before it for consideration, and I think it better to have a conference about it before it is finally passed.

Mr. ASHURST. I think the able Senator is correct. I merely wish to say that the joint resolution passed the House after having been submitted to the Committee on the Judiciary. As the House passed the measure it related to the acquiring of "legal literature." After it passed the House the Judiciary Committee of the House sent word to our committee that they would suggest, if the Senate passed it, that we strike out, on page 2, line 11, the words "legal literature" and insert the words "works on jurisprudence."

However, I accede to the suggestion of the Senator from Tennessee.

Mr. ROBINSON. For the information of the Senator from Arizona, I wish to say that some time ago, at the request of a committee representing the American Bar Association, I introduced and had referred to the Senate Committee on the Library a joint resolution making disposition of the Oliver Wendell Holmes Memorial Fund. That committee held hearings. A large number of witnesses appeared before the Library Committee of the Senate. I do not think the committee as yet has reached a conclusion as to what action should be taken.

The joint resolution to which I am now referring provided for the acquisition from the fund of portraits of the various members who have served on the Supreme Court of the United States, to be placed in the Supreme Court Building, and the purchase of certain scholarships from the fund.

For the reason that opportunity ought to be afforded to decide what is best to be done about the fund, I think the joint resolution now before the Senate should go over.

Mr. ASHURST. I join in that suggestion.

Mr. McKELLAR. Mr. President, I desire to say that in the hearings before the Library Committee, at which I was present, not only was the entire measure introduced by the Senator from Arkansas, as he has stated, before the committee, but especially that part of it which referred to scholarships for deserving young Americans who desire to become lawyers and are not able to acquire an education was very strongly stressed; and there were many expressions in the committee in its favor. So I think the joint resolution should go over until the matter can be worked out.

Mr. ASHURST. I wish to say that it is obvious that I could have no personal predilection, no set view, on the subject. The joint resolution came to the Committee on the Judiciary in due and regular course after it passed the House. So far as I am concerned, I think it is wise and proper that the various measures should be considered together. I certainly have no objection to this joint resolution going over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. ROBINSON. Mr. President, I understand that that concludes the consideration of the calendar.

PENSIONS TO VETERANS OF SPANISH-AMERICAN WAR, ETC.

The PRESIDING OFFICER. Under the unanimous-consent agreement, it was ordered that after the completion of the calendar the Senate should proceed to the consideration of House bill 6995, granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes, which bill the Chair now lays before the Senate, and recognizes the Senator from Kansas [Mr. McGILL].

Mr. McGILL. Mr. President, at the time the unanimous-consent agreement was entered into, when this bill was reached on the call of the calendar, the Senator from Arkansas [Mr. ROBINSON], the majority leader, was not on the floor. It has been stated to me that he does not wish to have the Senate take up the bill at this time, but desires to have a few days in which to consider it. Under those circumstances it is not my desire to dispose of the matter today.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. The Chair has announced that it was agreed by unanimous consent that this bill should come up at this time. I was not present at the time the agreement was made. Does it mean that the bill will become the unfinished business at this time? What is the nature of the agreement?

Mr. ROBINSON. Mr. President, from representations made to me after I returned to the Chamber I understood that there had been an agreement that the bill would be passed over to the end of the call of the calendar, and called again. I do not understand that any agreement was made to proceed with the consideration of the bill.

Mr. McGILL. Only one Senator made any objection whatever at the time the bill was reached on the call of the calendar. I think the proposal made by me at the time has been correctly stated. However, I am not disposed to seek to take advantage of that situation. I should like, if I may, to have an understanding that the bill will be taken up for consideration at a very early date. I think it should be disposed of soon. The bill, I am informed, passed the House of Representatives unanimously.

Mr. McNARY. Why does not the Senator press forward with the bill now?

Mr. McGILL. I am ready to go forward. It is my understanding, however, that the majority leader prefers to have the bill go over for a time.

Mr. ROBINSON. I inquire if there was a unanimous-consent agreement to take up the bill. We were proceeding under an agreement to consider unobjected bills on the calendar, and I did not understand that an agreement had been made to proceed with this bill this afternoon.

Mr. McNARY. I do not know anything about it.

The PRESIDING OFFICER. The Chair is advised that when this bill was reached in its order on the calendar an agreement was made to take up the bill immediately upon the completion of the calendar and dispose of it.

Mr. McNARY. Then, of course, the 5-minute rule would apply.

Mr. ROBINSON. I ask that the bill go over for the present. I should like to have an opportunity of investigating it a little further.

Mr. McGILL. Would the Senator be disposed to——

Mr. ROBINSON. I cannot now fix a time to proceed with the consideration of the bill.

Mr. McGILL. I am not asking the Senator to fix a time, but I am asking him if he would be disposed to take up the bill at an early date.

Mr. ROBINSON. After I shall have investigated the bill I will advise the Senator.

Mr. McGILL. The bill merely reenacts the pension laws pertaining to Spanish-American War veterans and veterans of the Boxer Rebellion and the Philippine Insurrection as they existed prior to March 19, 1933.

Mr. ROBINSON. I understand that. I understand that the bill repeals all laws affecting the subject which have been passed during the past 2 years, and reestablishes laws which formerly existed. I should like an opportunity to investigate the matter. I understood that the bill would be passed over today, and I also understood that that had been done with the understanding that the bill should be again called at the end of the calendar.

I do not wish to be obstinate about the matter. All I am asking is an opportunity to look into it. An opportunity will be afforded to take up the bill.

Mr. McGILL. With the understanding that it may be taken up—I should like to have it taken up as early as possible—I do not wish to press forward at a time that is not agreeable to the majority leader.

THE MERCHANT MARINE

Mr. COPELAND. Mr. President, I ask that Senate bill 2582 be laid before the Senate as the unfinished business.

Mr. McNARY. What is the request of the Senator?

Mr. COPELAND. That Senate bill 2582, the merchant-marine bill, be laid before the Senate.

Mr. LA FOLLETTE. The Senator will have to make a motion. That cannot be done by unanimous consent.

Mr. COPELAND. I move that Senate bill 2582 be laid before the Senate.

Mr. ROBINSON. The Senator should move that the Senate proceed to the consideration of the bill.

Mr. COPELAND. I make that motion.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Pope
Ashurst	Copeland	Logan	Radcliffe
Austin	Costigan	Lonergan	Reynolds
Bachman	Dickinson	Long	Robinson
Bailey	Dieterich	McAdoo	Russell
Bankhead	Donahey	McCarran	Schall
Barbour	Duffy	McGill	Schwellenbach
Barkley	Fletcher	McKellar	Sheppard
Bilbo	Frazier	McNary	Shipstead
Black	George	Maloney	Smith
Bone	Gerry	Metcalf	Steiwer
Borah	Glass	Minton	Thomas, Okla.
Brown	Gore	Moore	Townsend
Bulkley	Guffey	Murphy	Trammell
Bulow	Hale	Murray	Truman
Burke	Harrison	Neely	Tydings
Byrd	Hatch	Norbeck	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Caraway	Holt	Nye	Wagner
Chavez	Johnson	O'Mahoney	Walsh
Clark	Keyes	Overton	Wheeler
Connally	King	Pittman	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

The question is on agreeing to the motion of the Senator from New York [Mr. COPELAND] to proceed to the consideration of the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes.

LESSON OF OUR STEAMSHIP "LEVIATHAN"

Mr. SCHALL. Mr. President, the *Leviathan*, 907 feet 6 inches in length and 100 feet beam, the mightiest merchant vessel of the American fleet and one of the six greatest built by man, stands idle by order of the President for its permanent withdrawal from our ocean carrying trade.

Though it is the greatest ocean carrier owned by Uncle Sam, and though the contract for its operation by the company in which the President's personal friends are stockholders has not expired, the *Leviathan*, by Executive approval stands as idle as a painted ship on a painted ocean.

I have no desire herewith to discuss the testimony brought out by Senate committees. I do not mention the case of the *Leviathan* because of the peculiar circumstance that the company, as alleged by the former Assistant Secretary of Commerce, Mr. Ewing Mitchell, has been forgiven its debt for $1,720,000 due the Government in damages pursuant to the canceled contract, and not because this alleged "gift" to the company goes to beneficiaries who include Mr. Vincent Astor, owner of the White House magazine Today, and navigator of the yacht *Nourmahal*, which carries the President on his fishing trips.

My reference to the *Leviathan* is to point an economic lesson of national significance. It is this, that our great ocean carrier stands rusting in the harbor because of national policies which have destroyed the business of American carriers on the sea. The *Leviathan* stands idle because of economic policies which have destroyed the cargo and passenger demands of American business by sabotage of the industries that call for and yield cargoes and passengers. The *Leviathan* rides in idleness as a public warning of the sabotage daily wrought by political wreckers under the deadly policies called "new deal." It may well carry, nailed to its masthead, the words from the Old Book: "By their fruits ye shall know them."

The people of the United States know what happened to the *Leviathan* when they look about them and note what has happened to their industries and employment, their home trade and foreign trade, their banks and utilities, their railways and farms and mills and mines—after only 2 years of this wrecking crew under the edicts of the new deal.

They know what happened to the *Leviathan* when they get the star-chamber tariff reports from the State Department, the Executive tariff-making machine, flooding our markets with foreign imports and destroying both our industries and export trade—destroying the jobs of the wage earners and the cargoes for our rails and ships.

They know what happened to the *Leviathan* when they hear of the 12,000,000 acres of American cotton plowed under by a fascist dynasty, thereby plowing under our greatest source of cargo exports. They read the story in the reduction of the American cotton crop from 13,000,000 bales to 9,000,000, and the curtailment of one-half our cotton-cargo exports. They read it again in the reduction of our exports of cotton cloth by the amount of 150,000,000 yards since 1932. They read it in the flood of cotton-goods imports carried in foreign bottoms—Japan alone bringing into American markets 8,000,000 yards in the first 60 days of 1935, or 10 times the amount brought by Japan during the entire year 1932.

They read the fate of the *Leviathan* in the sabotage of 6,000,000 pigs converted into useless fertilizer, though needed by the unemployed and hungry, and by the destruction of our pork exports carried in our ships abroad. They read it in the Treasury outpouring of corn-hog checks by which the Government has cooperated with drought, flood, and disease to cut down our corn crop of last year by over 50 percent to the hitherto low record of the "horse and buggy" days of 1882.

American farmers read the fate of the *Leviathan* when they read the Government reports of the Departments of Agriculture and Commerce, showing that under new-deal sabotage and star-chamber tariffs directed by the administration in violation of the legislative powers granted by the Constitution, our farm export trade has been destroyed and the flood of imports carried here in foreign ships has been stimulated, until the years 1934 and 1935 reveal this picture:

Wheat, including flour, for the fiscal year 1935: For the first time in the memory of any living American, this country, once the world's greatest exporter of both wheat and flour, practically had no exports, and showed imports of 8,000,000 bushels.

Corn in the fiscal year 1934–35: This country, which formerly produced the world's chief supply both of corn and corn-fed livestock products, has imported, this year, over 5,000,000 bushels, while exporting less than one-tenth of that.

Oats: Though in the 5 years, 1928–32, our oat crop averaged 1,200,000,000 bushels a year, our total exports in the past 2 years of the new deal have amounted to only 1,500,000 bushels in the aggregate, while our imports of only 7 months of the present fiscal year alone exceed 7,000,000 bushels.

Barley: Our barley production has been cut down 60 percent since 1932, and our exports cut down 75 percent, while our imports in the present fiscal year are more than double our exports.

Rye: Our rye crop of last year was 60 percent below the former 10-year average, and our exports during the present fiscal year beginning last July amount to a grand total of just 249 bushels, while our imports of rye during the present year and last year amount to 17,800,000 bushels.

Hay: By the combined effect of the A. A. A. and drought, including the sabotage of the livestock which makes the market for hay, our hay production has been cut down from 82,000,000 tons in 1932 to 56,000,000 in 1934, and our imports during the present fiscal year since last July have been 49 times our exports.

Butter: In the first 3 months of the present calendar year, this country imported 8,500,000 pounds of butter, or nearly twice as much as during the 3 years, 1930, 1931, and 1932, combined. Our butter imports in March alone rose to 4,928,000 pounds, or 80 times our exports. This butter came from the farthest corner of the earth, New Zealand, to make good

our home supply reduced by 40,000,000 pounds through the combined effect of drought aided by the A. A. A. slaughter of dairy cows.

Cheese: Our cheese imports beginning January this year are coming in at the rate of 4,000,000 pounds a month, or 40 times our exports. Our cheese production in 1934 was 120,000,000 pounds less than the year before.

Potatoes: Potato imports in the crop year 1933–34 exceeded 2,000,000 bushels, or three times our exports, and the Government is now making contracts and paying money out of the Treasury to induce a still smaller production in aid of still larger imports.

Canned beef: In 1934 we imported from Argentina, Paraguay, and Uruguay canned beef to the value of $40,000,000 while paying out Treasury cattle checks and slaughtering 6,500,000 cattle to help drought cut down our beef supply in aid of South American imports, which already have more than doubled since 1932.

Hogs and hog products: Our exports of lard last year declined 148,000,000 pounds from the year before, and were less than half the exports of 10 years before. We are paying out corn-hog checks at the rate of several hundred million dollars a year from the Treasury deficit and have produced a pork famine by reducing our hog population one third; and yet the pretended emergency of the 1936 Presidential election calls for further pig sabotage and further corn-hog checks to prolong the pork famine until election day.

Volume of meat imports: In 1934 this country, which for years has led the world in export of meat products, imported 101,000,000 pounds of foreign meat, while paying out hundreds of millions at the expense of taxpayers to reduce the home supply. In sausage casings, imports from abroad reached last year 22,600,000 pounds, or 10,000,000 more than in 1932. Imports of beef products, followed by the slaughter of 6,500,000 American cattle, were nearly double those of the year before—demonstrating the increasing efficiency of the new deal in favor of production abroad and cargoes for foreign vessels.

Thus it is significant that in the same week that we get the news from the Government that the *Leviathan,* our largest merchant ocean carrier, is permanently withdrawn from ocean trade we get from the A. A. A. a pamphlet on current farm imports, which opens with the following significant sentence, so characteristic of Secretary Wallace, and we read:

> Agricultural imports into the United States have become a factor in the news of the day.

This "news of the day" regarding the rising volume of farm imports must be grand news to the farmers who carry a mortgage debt of $4,000,000,000 and pay out $250,000,000 a year in taxes.

It is a new deal for American agriculture, which in the fiscal year 1920 sold abroad farm products valued at $3,800,000,000—now reduced to around $500,000,000 with an excess of imports over exports in over half the entire list of staple products.

It is a new deal for American ships, which in 1920 carried American farm and mill exports valued at over $3,000,000,000, and today one-sixth of that.

It is a new deal in American shipbuilding, which dropped from 1,051 merchant ships built in American yards in 1919 to just 2 small ships in 1933; from 4,075,000 tons built in our yards 16 years ago to a bare 18,000 last year.

Under the new deal our export trade has dropped to less than one-third of that under the old deal of 6 years ago.

It is new deal in the history of our American merchant marine by reason of which a merchant marine with 4,000 ships less than 10 years ago lacks cargoes even for the ships we have.

Only one-third of the reduced ocean trade we have is carried in American ships even by the aid of subsidies. And now, when the International Mercantile Marine Co., which I understand is under British registry—notwithstanding that Stockholder Vincent Astor, lord admiral of the President's flagship *Nourmahal,* is presumed to be American—ties up the *Leviathan* at the dock it is awarded an extra subsidy, or corn-hog check of $1,720,000.

In short, the *Leviathan* is in the same case as the 12,000,000 acres of cotton plowed under, the 6,000,000 pigs converted into useless fertilizer, and the 6,500,000 cattle sabotaged to stimulate beef imports from Argentina, Paraguay, and Uruguay.

The *Leviathan* is in the case of the several thousand cotton mills closed by the processing taxes. It is in the case of the cereal mills that are closed by imports from Canada, and the cooperative creameries that are closed by butter imports from New Zealand, and the thousands of factories closed by imports from Japan.

The *Leviathan* is in the case of our banks and railways, our utilities and mines, commandeered or electrocuted by Cohen-Corcoran bills sent over here from the White House and railroaded onto the statute books by the threats of a $5,000,000,000 White House battleax.

Indeed, the *Leviathan* is in the case of this Congress, which is tied up to the White House dock and is unable to function as the Constitution provides, unable to pass a major bill not drafted by the White House, and unable to debate a bill under the normal rules of debate, and frequently not given a chance even to read the voluminous 100-page bills conceived by a brainless "brain trust" and drafted by Cohen, Corcoran, Frankfurter & Co. without regard for, and even in direct violation of, the express provisions of the Constitution.

In brief, the *Leviathan* is typical of the new deal on a Nation-wide scale. The 48 States of this Republic are tied up to the White House dock under orders not to function as States normally function under their own and the United States Constitution.

The *Leviathan* is ordered to a permanent retirement birth. When the President, in his first annual message a year ago, demanded that his temporary "emergency" powers be made permanent, he virtually demanded that Congress and the States should permanently retire from their constitutional business.

When, in the fall of 1933 and in January 1934, the President sent 4 Cabinet ministers and 8 bureau chiefs over to Delaware to create six Soviet holding companies having charters of "perpetual existence", he had apparently in mind to resolve all American private enterprises and industries into that condition of innocuous desuetude which in the case of the *Leviathan* stands for permanent retirement.

Thus the true issue of 1936, although the censorship of this administration on all avenues of communication may prevent the people understanding it, will be: Shall we have a permanent bureaucratic dictatorship here in Washington, and permanent retirement of Congress, the Supreme Court, the States, and the Republic? Shall the Republic become an idle *Leviathan* and dictatorship become the living *Leviathan?* Or shall American citizens join to restore America to Americanism and the Ship of State to its course under the Constitution?

Mr. President, I ask leave to print an industrial control report.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report is as follows:

> Industrial control reports, issued weekly by the James True Associates, National Press Building, Washington. No. 103. June 22, 1935
>
> HOLDING DOWN THE LID
>
> Unfortunately, the big jolt of the week appears to be fading out. Monday there were hopes that the charges of Ewing Y. Mitchell would result in exposing the deplorable inefficiency in various departments. But the Senate committee has stamped out the spark before it reached the dynamite.
>
> Mitchell is absolutely honest and for many months has suffered disillusionment. He made the mistake of accepting the new deal as an honest program. The value of his charges is the resulting wide publicity regarding the dangerous maladminstration of the Steamship Inspection Service and the Aeronautics Branch of the Department of Commerce. Politically, his attack on the deal with Vincent Astor's shipping company confirms sinister suspicions in the minds of many.
>
> Unlike many honest men who have been thrown down the back stairs by the administration, Mitchell cannot be muzzled. He

has personally assured us that he will continue his attack until it results in a complete investigation. Secretary Roper's allegation of inefficiency is a joke. Mitchell would not play both ends against the middle, and Roper needed his job.

Since the bonus veto, the administration has felt the need of winning support by favoring veterans. Mitchell's successor, J. M. Johnson, of South Carolina (Roper's State), is a veteran.

Mitchell's charge regarding Senator Cutting's death and the *Morro Castle* disaster forced Attorney General Cummings to order an investigation. The more serious the findings, the less the chances for a revelation. It looks like another whitewash, unless Mitchell has fired but a small part of his ammunition. A revealed scandal in one department would force inquiries into a number of evil-smelling conditions.

WHITE HOUSE CHANGES

Roosevelt appears to have gained some weight during the last 6 months, and there is a possible improvement in physical condition. He is plainly worried, and his attitude at press conferences has radically changed. He is petulant, intemperate, and occasional questions now receive inane replies. Much of the old urbanity is gone. A more critical attitude of an increasing number of correspondents is apparently resented.

NEW-DEAL MANAGEMENT

Contradictions and mental vagaries are beginning to fulfill our predictions. Certain prominent political leaders are said to realize the mental irresponsibility. Important Members of both Houses, after recent interviews, have expressed concern. This phase is serious and, in our opinion, cannot be kept under cover many months longer.

THE FAIR-HAIRED BOY

If bad blood between Secretary Ickes and Harry Hopkins boils over, as it probably will, Ickes will go. Although Ickes has been thoroughly and properly damned by industry for many of his policies and activities, he has done the better job. The bond that holds Hopkins to his job appears to be more than the affinity between fanatical minds intent upon the same insane venture. Despite Hopkins' howling against "politics" in F. E. R. A., insiders say that he stands well with Farley and has the support of the international influence behind the administration. It is possible that he learned enough of the "inside" to hold his job as long as he wants it, while connected with the New York State administration under Governor Roosevelt.

Nothing could indicate the motives of the administration more clearly than the favoritism shown Hopkins. Every county in the country has its F. E. R. A. scandals. It is estimated that more than 50 percent of the first billion and a half intrusted to Hopkins reached the hands of grafters and political spoilsmen. Officials of more than 40 States have demanded investigations. But Hopkins, not so long ago an obscure, red-radical social worker, remains in a most important post, a pampered pet of the administration.

SPOLIATION EVIDENCE

A number of affidavits and signed statements in our possession show that in the distribution of relief there is an unbelievable amount of criminal labor exploitation, graft, political favoritism, and thievery. The condition in Philadelphia appears to be typical of many cities. There a group of citizens recently presented evidence to all local newspapers; but the editors refused to disclose the truth to the public.

This week, the Pennsylvania General Assembly has considered a resolution (no. 110) for a complete F. E. R. A. investigation. It states that taxpayers are demanding that the light of publicity be thrown on the whole system of distributing public relief, "and that some system be devised to cull from the list those who abuse the aid extended to them and those who paint false pictures of economic conditions in order to fasten a dole system foreign to American traditions on the body politic * * *."

DEFYING THE CONSTITUTION

Clearly Roosevelt is following the advice of the international despoilers. It is generally accepted here that "Karl Marx" Professor Frankfurter and his legal kikes wrote the A. A. A. amendments. Although many protests have reached the Senate Agricultural Committee and the White House, denouncing the amendments and accusing Wallace of setting himself up as a Stalen, Roosevelt has repeated his "must" on the bill.

A prominent "new dealer" is reported to have declared to a manufacturer's representative, "We know the amendments are unconstitutional, but we shall pass the bill and make you like it until a case reaches the Supreme Court. What we'll do to you will be a plenty." The constitutionality of all "must" bills now before Congress is seriously questioned by all recognized authorities here.

CONGRESSIONAL TEMPER CHANGING

The deluge of protests from the public, assisted by the few Americans in both Houses, appears to have stiffened some weak, yellow backbones and injected a little courage in cowardly, servile congressional hearts. The obvious conviction of the administration is that with $4,880,000,000 it can buy the American electorate. With the congressional majorities, greed for patronage and power is slowly giving way under the bombardment of protests from the public.

Last Thursday the change was particularly evident. The House Interstate Commerce Committee turned down Roosevelt's "death sentence" for public-utility holding companies, thus checking his similar threat against holding companies in all industries. House Republicans revolted against "new dealer" gag rule and started a filibuster that blocked passage of the deficiency bill; this action is expected to assure discussion of all "must" bills in the future. In voting to extend emergency nuisance taxes 1 year the Senate Finance Committee probably has shelved Roosevelt's "soak the rich" program until the next session of Congress.

IS SOCIALISM ON THE WAY?

Not only by means of the A. A. A. amendments, but through other proposed legislation, the administration has attempted to force licensing on industry. A recent bulletin issued by the Bureau of Foreign and Domestic Commerce approves a licensing system used by the Russian Government. The administration already has entered hundreds of lines of business, and under the Delaware corporations, is prepared to take over every industry in the country.

This is in full accord with the socialist program for which Roosevelt broke his preelection promises and junked the Democratic platform. And socialist communities are getting ready for the big day. Milwaukee, under a socialist mayor, furnishes a typical example. An ordinance to amend the Milwaukee charter has been read twice before the mayor and the common council, and referred to the legislative committee.

In part, this ordinance reads: "The central board of purchases shall have the further power to purchase from the Government of the United States or any Federal agency created by it, or the State of Wisconsin or any agency thereof, created by said governments for such purpose, without the intervention of a formal contract."

BIDDING IN THE DARK

If you sell the Government, or if you are interested in another attempt of the administration to force unconstitutional restrictions, write the National Association of Manufacturers, Investment Building, Washington, for a copy of Law Department Bulletin of June 14. This is an analysis of Circular Letter No. 100 to the heads of all departments and establishments of the Government, issued by the procurement division of the Treasury and Senate bill No. 3055. The N. A. M. finds this bill to have the identical defects of the N. I. R. A., held to be unconstitutional by the Supreme Court. The association also points out that if passed in its present form the bill would not represent a congressional determination of minimum wages and maximum hours but would represent a delegation of blanket authority to the President to decide wage and hour issues in every case.

CRACKING DOWN ON CHAINS

Representatives of manufacturers and distributors are seriously discussing and preparing to lobby for or against H. R. 8442, recently introduced by Representative PATMAN in the House. This proposed legislation would make it unlawful "for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality", prohibits the payment of brokerage or commission to buyers, eliminates pseudo advertising allowances, provides a presumptive measure of damages in certain cases to protect independents, the public, and manufacturers "from exploitation and unfair competitors."

REVIVING THE BLUE BUZZARD

Fulfilling our prediction as to "right" gestures, Roosevelt has appointed a rather conservative personnel for the new N. R. A. and has shelved the reds and Jews. When N. R. A. was in a position to control industry it was dominated by communistic radicals, some of them aliens. Now the dead Blue Eagle will be stuffed and mounted by personnel obviously selected for its value as a "front."

An effort is being made to strengthen the N. R. A. with industry by borrowing power from the Federal Trade Commission. Thursday, members of the Commission spent sometime at the White House. Since the N. R. A. Supreme Court decisions, the organization has received a great many inquiries regarding the procedure of trade-practice conferences.

Roosevelt does not like the Commission, because it cannot be readily manipulated politically. He likes it less since the Court told him he could not fire commissioners. Insiders say that he will transfer the authority to hold trade-practice conferences from the Commission to the N. R. A.

If this change takes place it will be solely for political reasons and against the interests of industry. Roosevelt has announced that the N. R. A. will be used for "research" and to combat industrial propaganda. Trade-practice conferences will give it a perfect smoke screen behind which to harass industry with threats of investigation and political reprisal.

OUR HAT IS OFF TO THE SENATOR

According to the CONGRESSIONAL RECORD, Senator THOMAS D. SCHALL, fearless and relentless administration foe, recently had this to say: "Only one newspaperman in this country had the insight to see behind the Johnsonian barrage of smoke-screen antics. Strangely enough, the man who brought this communistic set-up to light (the Wilmington corporations) was a man whom the Nation's no. 1 windbag barred from his press conferences because he told the truth about the N. R. A.—or, at least, a small portion of the truth. This man was James True, who publishes a weekly digest of uncolored business reports for business men who do not accept the pap handed out to newspapers by the 300 press agents on the pay roll of the Government * * *."

THE JAMES TRUE ASSOCIATES,
By JAMES TRUE.

THE MERCHANT MARINE

The PRESIDING OFFICER. The question is on the motion of the Senator from New York [Mr. COPELAND] to proceed to the consideration of Senate bill 2582, the merchant marine bill.

Mr. NYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Pope
Ashurst	Copeland	Logan	Radcliffe
Austin	Costigan	Lonergan	Reynolds
Bachman	Dickinson	Long	Robinson
Bailey	Dieterich	McAdoo	Russell
Bankhead	Donahey	McCarran	Schall
Barbour	Duffy	McGill	Schwellenbach
Barkley	Fletcher	McKellar	Sheppard
Bilbo	Frazier	McNary	Shipstead
Black	George	Maloney	Smith
Bone	Gerry	Metcalf	Steiwer
Borah	Glass	Minton	Thomas, Okla.
Brown	Gore	Moore	Townsend
Bulkley	Guffey	Murphy	Trammell
Bulow	Hale	Murray	Truman
Burke	Harrison	Neely	Tydings
Byrd	Hatch	Norbeck	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Caraway	Holt	Nye	Wagner
Chavez	Johnson	O'Mahoney	Walsh
Clark	Keyes	Overton	Wheeler
Connally	King	Pittman	White

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from New York [Mr. COPELAND] to proceed to the consideration of Senate bill 2582, the merchant marine bill.

Mr. WHEELER, Mr. BLACK, Mr. COPELAND, and other Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Montana.

Mr. WHEELER. Mr. President, I have not had a chance completely and thoroughly to investigate this bill; but I desire to say that a very thorough investigation should be made of the wisdom of passing the bill, because, as I read the measure, it is inconceivable to me that the Congress of the United States will pass a bill containing the provisions found in this one.

The bill provides, among other things, for financial aid to the merchant marine. As I read the report on the bill, it would indicate that the President of the United States favors the bill set out; but if Senators will analyze the message which the President sent to Congress, I am sure they will readily agree that there is no paragraph in the President's message which would indicate in the slightest degree that he favors any subsidy such as that which is set forth in the bill.

We have had a great many governmental scandals in connection with subsidies, particularly mail and shipping subsidies. It seems to me this bill opens the way for the greatest scandals that have ever been perpetrated by any bureau or any department of the Government of the United States.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. We have before us at the present time a report from the Postmaster General saying that most of the present mail subsidy contracts are void; and he implies, if he does not say so absolutely outright, that many of them are fraudulent.

The Senator from Montana will remember that some years ago I had these contracts examined. I came to the same conclusion. I think they are all fraudulent and void except about three. They have not been canceled; and with that report coming in that they are fraudulent and void, or most of them are, the idea of Congress in that situation, before any adjustment is made, before the contracts are taken up, or certainly before their validity is determined, giving these very companies one of the most liberal subsidies in the world, seems to me to be absolutely inconceivable. I do not see how we could do it under the circumstances.

I have always been opposed to subsidies. I am opposed to them now; and I expect to vote against this bill.

Mr. WHEELER. I thank the Senator.

I desire to call attention to the fact that the bill contains a provision for regulation, and also for carrying out both the executive and the legislative will.

In his message of March 4, 1935, to the Congress of the United States, the President said, among other things:

Legislation providing for adequate aid to the American merchant marine should include not only adequate appropriation for such purposes and appropriate safeguards for its expenditure, but a reorganization of the machinery for its administration. The quasi-judicial and quasi-legislative duties of the present Shipping Board Bureau of the Department of Commerce should be transferred for the present to the Interstate Commerce Commission. Purely administrative functions, however, such as information and planning, ship inspection, and the maintenance of aids to navigation, should, of course, remain in the Department of Commerce.

Of course, the bill does not purport to carry out the President's message with reference to that feature of the subject.

I desire briefly to call attention to a few of the provisions of the bill which I have hurriedly analyzed.

The bill creates another board of five members, with salaries of $12,000 a year each, and then provides that they may employ lawyers, experts, and so on. Then they are first to study and make an investigation of this whole problem. That would be perfectly proper if they stopped with the investigation, and reported back to a subsequent Congress; but the bill goes on and says what?—

The Authority is authorized and directed to consider the application—

Of whom?—

of any citizen of the United States as defined in section 38 of the Merchant Marine Act, 1920 (U. S. C., title 46, sec. 802), for financial aid in the construction, outfitting, and equipment of new vessels, or any vessels obligated to be built under an existing contract with the United States or the reconditioning of vessels already built, to be used on an essential service, route, or line in the foreign commerce of the United States. If the Authority determines that (1) the service, route, or line requires a new vessel of modern and economical design or the reconditioning of a vessel already built, to meet competitive conditions or to further promote the foreign commerce of the United States, or if it is found after consultation with the Navy Department that the construction of such vessel is advisable for national-defense purposes; (2) the plans and specifications of the proposed vessel meet the requirements of commerce; and (3) the applicant possesses the ability, experience, financial resources, and character necessary successfully to operate and maintain such vessel in the proposed service, the authority shall, in accordance with the provisions of this act—

Do what?—

(a) determine the difference between the domestic and foreign reconditioning cost of a vessel of the type proposed to be built, or the difference between the domestic and foreign reconditioning cost of a vessel of the type proposed to be reconditioned; (b) submit said plans and specifications to the Navy Department, which shall have the right to suggest such changes therein as it may deem necessary or proper in order that the proposed vessel may be adequate as a naval or military auxiliary and otherwise suitable for the use of the Government in case of national emergency or for the national defense.

(B) In case the said specifications shall be approved by the authority and the Navy Department, the authority may grant a subsidy of such amount as will equal, but not exceed, the difference between—

What?—

the fair and reasonable cost of constructing, outfitting, and equipping or reconditioning of the said vessel in an American shipyard and the fair and reasonable cost of constructing, outfitting, and equipping or reconditioning the same, or an equivalent vessel, under—

What?—

under substantially the same specifications in a foreign shipyard of equal standing.

Just stop and think for a moment what that means! We will assume, for instance, that the authority first ascertain the cost of reconditioning a ship in England. They find that the cost of reconditioning the ship in England is about so much money. Then they say, "What will it cost in an American shipyard?" Then the Government of the United States proposes to pay the difference between those costs. The bill does not say that they shall be ships of identically the same specifications but "substantially the same specifications." Do not make any mistake at all about it. When

the specifications of one of these ships are changed, it will be like changing the specifications of a block of buildings in the United States, or a big business house. I myself have had some experience along that line; and I found that when I was building a house, if I changed the specifications in the slightest degree, a tremendous amount was added to the cost.

So there is no protection whatever. In this bill there is absolutely no protection, because it is provided that the specifications shall be substantially the same.

What does "substantially the same" mean? It means anything. It throws the gates wide open for all kinds of graft and all kinds of corruption to creep in, even assuming that the Government of the United States wanted to undertake to pay the difference and say, "We are willing to pay the difference between the cost in Great Britain and the cost in the United States." We would leave it wide open for them to say, "These are substantially the same specifications," and consequently we would have graft.

Suppose the shipping board should say, for illustration, "You can have the ship built for $5,000,000 in Great Britain, but it will cost $10,000,000 in the United States." Then the Government of the United States pays that shipping outfit $5,000,000 more than it ought to have to pay. But suppose the shipowner said, "We can get this ship built in Japan for $2,000,000, and it would cost $10,000,000 in the United States." Then the Government of the United States, instead of paying $5,000,000 extra, would pay $8,000,000.

There is nothing to provide that the difference must be the difference in wages between this country and Canada, for instance, nothing to provide that the difference must be the same as the difference in the wages between the United States and England, or the wages in Germany and the United States, but it says in a foreign shipyard of equal standing.

Nobody would deny the fact that there are shipyards in Japan which would be considered of equal standing with shipyards in the United States, because they are turning out ships, according to the reports we are getting at the present time, which are comparable with ships built in the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield.

Mr. WHEELER. I yield.

Mr. VANDENBERG. I call the attention of the Senator to another difficulty at this particular point. So long as international exchange is a fluctuating item there is no way in the world by which we can tell for more than 24 hours whether the differential is five million, or eight million, or twenty million dollars.

Mr. WHEELER. Of course. Suppose the pound sterling should drop tomorrow, or that money should become cheap in Germany, or money should become cheap in Japan tomorrow, with the fluctuating currency. I submit that there is no possible way of telling what it will be.

We have talked about the difference between the cost of goods at home and abroad, and have said that we should impose tariffs based upon the difference. There is no one on this floor who knows anything about that matter but who knows that we cannot find out the actual cost of the production of goods in foreign countries. It is an excellent theory, but when we come to investigate the costs in foreign countries, we find that it is a physical impossibility to get the facts.

Are we to say, "Here are the specifications", and are we to let bids, and say to England, "You can bid on this", and then let an American firm bid, and then say that we are going to build the identical ship in American shipyards?

Of course, the British are not going to bid, and the Japanese are not going to bid, under those circumstances, because they are not going to the trouble of sitting down and figuring out their costs when they know that after they have done it the bids will be rejected.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. WHEELER. I yield.

Mr. VANDENBERG. The average life of one of these ships is supposed to be about 20 years.

Mr. WHEELER. Yes.

Mr. VANDENBERG. Therefore the original cost of the ship is spread over a 20-year contract.

Mr. WHEELER. Yes.

Mr. VANDENBERG. So that the Government of the United States will be for 20 years at the mercy of a construction differential fixed upon one given day, at a time when international values are changing overnight.

Mr. WHEELER. Of course.

Mr. VANDENBERG. If we happened to pick the unfortunate moment to make the contract, we would have simply mortgaged the Treasury for 2 decades.

Mr. WHEELER. Absolutely. I thoroughly agree with what the Senator says with reference to that.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. I yield.

Mr. FLETCHER. The Senator is in favor of an adequate American merchant marine?

Mr. WHEELER. I am.

Mr. FLETCHER. Operated and owned by American citizens?

Mr. WHEELER. Yes.

Mr. FLETCHER. The Senator recognizes that the American shipbuilder and the American ship operator are under certain handicaps with reference to costs, does he not?

Mr. WHEELER. I presume that is so.

Mr. FLETCHER. In other words, it costs more to build a ship in an American yard than in foreign yards?

Mr. WHEELER. I have been so told, and I assume it to be true.

Mr. FLETCHER. It costs more to operate an American ship than to operate a foreign ship, generally speaking.

Mr. WHEELER. Yes.

Mr. FLETCHER. American operators pay higher salaries, and there are more expensive conditions for the crews and officers, and therefore there is a difference between the cost of operating a ship under our flag and operating a ship under a foreign flag.

How can the Senator expect that an American merchant marine can be built and maintained with such differences existing as to the cost of building ships and the cost of operating ships, and if we keep that in mind, how is that handicap to be relieved, and is it not necessary to relieve that handicap in order that we may have and maintain an adequate American merchant marine?

Mr. WHEELER. If that be true, what will we have if we enact this measure? In the first place, while I am not a prophet or the son of a prophet, if we do not have greater scandals in connection with this measure, if it shall become a law, than we have ever had in the history of the United States in connection with shipping, then I miss my guess, and I do not want to see this administration involved in the unparalleled scandals which we would have under this measure, and I know the Senator from Florida would not want that to happen.

If the shipping interests are entitled to this kind of a subsidy, then there is not an interest in the United States that is not entitled to this kind of a subsidy, and this would be an opening wedge for all kinds of things to come before Congress. In my humble judgment, it cannot be justified upon any theory of trying to protect the American merchant marine. There are no safeguards in the bill to protect the Government of the United States. As the Senator from Michigan has pointed out, with the fluctuations in the currencies of the world, it is impossible to find out what the costs will be tomorrow.

Mr. FLETCHER. Mr. President, would not that condition obtain at any time in our history? If we sit still and do nothing and wait for conditions to be stabilized all over the world, we will get nowhere. In the meantime, we re-

quire ships; our commerce and trade and national defense require ships, and there is every reason why we must have ships operated under our flag in all parts of the world.

Mr. WHEELER. This is what the President said in his message to the Congress:

> This lending of money for shipbuilding has in practice been a failure. Few ships have been built and many difficulties have arisen from the repayment of the loans.

Now, it is proposed that we lend the money, it is proposed that we continue the very thing which the President says has been a failure.

The President said:

> Similar difficulties have attended the granting of ocean mail contracts. The Government today is paying annually about $30,000,000 for the carrying of mails which would cost, under normal ocean rates, only $3,000,000.

Yet it is proposed in this bill that we give them a subsidy. In my judgment, though I have not checked up on the figures, it is proposed in this bill, after helping the builders to build ships, to pay probably 50 or 75 percent, or the Lord only knows how much is proposed to be paid, then it is proposed that the Government pay the differential on the operating expenses of the ships.

In addition to that, it is proposed that loans shall be made. If the Government of the United States is to do that, we had better take over the shipping of this country. I am not in favor of doing it, and I do not think it is necessary to do it; but if it is proposed to open up the Treasury of the United States on this basis, to let them reach their hands into the Treasury and take out this money; if we are first to build the ship for them or give them a subsidy for building it, then give them a subsidy for operating it, and then give them 80 cents for carrying one class of mail, and 8 cents for carrying some other class of mail, then, perhaps, the Government should take over the shipping.

Mr. FLETCHER. Mr. President, may I interrupt the Senator just once more? Personally, I should rather not see any subsidy. I have always contended against subsidy. However, it has been our history to a great extent that we have provided subsidies. Subsidies have led to scandals. However, that depends very largely on the administration. I believe the statement of our policy, as announced in the Shipping Act of 1920 and in the act of 1928, is a wise policy, and is sound today.

It comes down to this: We must either grant some Federal aid to our shipping or resort to the other method which the Senator suggests, namely, have the Government own and operate the ships. It seems to me we are confronted with one or the other of these conditions.

Under the act of 1928, the mail-contract provision was in the nature of what was called a subvention, but really a subsidy; and I think that act operated very well indeed. Under that act we built a great many ships; we sold a great many ships and we continued operating ships. Of course, foreign trade and commerce dropped away, and ships were idle all over the world beginning shortly after the passage of the act of 1928. As the President says, it was not, however, so much a defect in that scheme or plan that caused it to fail and brought on scandals which have been connected with it; that condition was mainly due to the errors and mistakes in the administration of the act.

I think we might have perfected that act, perhaps, by correcting some things which experience has shown should have been corrected; but the proposition now is to do away with that subvention, or indirect subsidy, and get down to a direct subsidy. It is for Congress to say whether or not it is going to grant any subsidies to shipping. If we can get along without them, I should rather not have them; but it seems to me we shall have to help our shipping somehow. We shall have to help in shipbuilding and ship operating if we are going to maintain our status as a maritime nation worthy of the name, and serve our commerce and our national defense.

It comes down to the question whether we are going to do it by granting aid both to shipbuilding and to ship operation, or whether the Government shall have to take over the whole enterprise.

Mr. WHEELER. Mr. President, I should like to ask the Senator a question. The bill provides, first, that we shall provide a subsidy amounting to the difference between the cost of building in some shipyard abroad and in the United States. How are we going to find out what it costs to build an identical ship in the shipyards in Japan? It is a physical impossibility which we shall be up against in the first place. It just cannot be done. In addition to that, we say that we are going to give a subsidy of the difference between the cost of operating an American ship and the cost of operating a foreign ship. What foreign ship are we going to base it upon? Are we going to base it upon the coolie labor of China, are we going to base it upon the coolie labor of Japan, or on what Great Britain pays, or on what Australia pays, or on what some South American country pays, or what are we going to base it upon?

Under this bill, if I am a shipowner, I have a perfect right to come to the United States maritime authority and say, "I am entitled to the difference between the cost of operating my ship from San Francisco to Tokyo and what it would cost Japan to operate a similar ship." In the case of New York, if I am shipping to Tokyo, I can say, "I am entitled to the difference between what it costs me to ship from New York to Tokyo and what it costs a Japanese shipowner to ship from New York to Tokyo." When it comes to shipping to England, I am entitled to the difference between the cost to me and the cost to an English shipowner.

If I am going around the world, as some of these vessels do, upon what shall the difference in cost be based?

I say we have nothing whatsoever upon which to base these payments except the wildest kind of judgment on the part of the maritime authority. We talk about laws being unconstitutional; we talk about not giving authority to some of these boards and commissions which have been condemned; and yet it is proposed in this bill to do what?

Here is what is proposed:

> The authority may, upon such terms and conditions as it may consider proper, authorize the exchange of any vessel or vessels owned by the Government for a vessel or vessels documented under the laws of the United States owned by American citizens.

In other words, we are going to let this board trade with some shipping outfit, trade a vessel which belongs to the United States for some vessel which belongs to them.

It is further provided in the bill that—

> The authority may lay up or scrap or sell for scrapping said vessel or vessels so acquired, or may sell, charter, or otherwise provide for the operation of said purchased vessel or vessels in some other service or route for which the vessel or vessels may be suitable.

Mr. FLETCHER. Mr. President, the Senator asked me a question. He seems to think there is great difficulty about ascertaining the difference in the cost of production in foreign yards and in the yards of the United States. Of course I understand that the Senator feels as I do, that American ships should be built in American yards. I cannot see any great difficulty in respect to ascertaining—not to a cent but comparatively accurately—the difference between the cost of constructing a ship on the Clyde, for instance, and the cost of constructing it in this country. I do not see any difficulty in ascertaining the difference in the cost of operating the ship, because we can ascertain the salaries and the needful expenses; and I think the difference can be ascertained to within a few cents.

Mr. WHEELER. It is inconceivable to me that any organization or any bureau can possibly find out what it costs the Japanese to operate one of these ships between San Francisco and Tokio, or what they pay to their labor. With coolie labor, with depreciated currencies, with all these other things, it is impossible to ascertain such costs correctly. No matter how honest the authority might be, we should be putting an impossible task upon them, and we should be putting upon them a task which the American people would not stand for, and which they would overwhelmingly repudiate the minute it was known that anything of the kind had been put in operation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LONG. What astonishes me—and I came here thinking subsidies were a good thing—is the way all the legislative committees I have had the opportunity to attend seem to believe that any dishonesty in subsidy ought to be accepted, and that nobody ought to be criticized; that one who criticizes rascality in subsidy is criticizing subsidy itself. I came to the conclusion that the two things were so inextricably involved that a man could not honestly vote for a subsidy.

Mr. WHEELER. I am sure the Senator will appreciate this provision in the bill, which appears on page 67:

> In case the said specifications shall be approved by the authority and the Navy Department, the authority may grant a subsidy of such amount as will equal, but not exceed, the difference between the fair and reasonable cost of constructing, outfitting, and equipping or reconditioning of the said vessel in an American shipyard and the fair and reasonable cost of constructing, outfitting, and equipping or reconditioning the same, or an equivalent vessel, under substantially the same specifications in a foreign shipyard of equal standing.

Mr. LONG. I can define what that means in language which the Senator can grasp: It means, "Let your conscience be your guide."

Mr. WHEELER. It says, not "the same specifications", but "substantially the same specifications."

Mr. BONE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BONE. I desire to call the attention of my friend, the Senator from Montana, to the fact that in the Munitions Committee it was determined, by the evidence there produced, that the Navy Department did not even know the cost of ships built in private shipyards for the Navy Department. The evidence clearly reveals that fact. I think the Senator from Michigan [Mr. VANDENBERG], who is on the floor, will verify what I state—that the Navy itself, with all its ability or presumed ability to get at the facts, was unable to advise the members of the Munitions Committee of this body what it cost to build a battleship or a cruiser in a private shipyard in this country.

Mr. VANDENBERG. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. Certainly.

Mr. VANDENBERG. What the Senator from Washington has said is true. I want to add another thought. We have discussed the impossibility of arriving at a firm differential so long as there is no firm basis of international exchange. I call attention that the board, in addition to everything else—indeed when it starts this process—has to decide whether the new vessel is necessary to meet competitive conditions or further to promote the foreign commerce of the United States. It has to make that decision at a time when foreign trade is just as chaotic as is foreign exchange. We cannot decide today where or what the proper foreign trade line will be next year or the year after.

Mr. WHEELER. Of course, it seems to me it is perfectly asinine to say that a board sitting here in the city of Washington should have authority to decide whether it is necessary to build a vessel with which to ship commodities to India because we want to have some of that trade. If they should decide to do it, then they must figure out what the difference in cost of construction will be at some shipyard, the Lord only knows where, whether Shanghai or Tokyo or Bombay or some place in Great Britain; but we may rest assured this authority will be dominated sooner or later by the shipping interests just as the old Shipping Board was. We have had scandals enough with the old Shipping Board and with subsidies to justify us in urging that we should not set up another board to have perhaps more scandals.

Mr. McKELLAR. Is it not a fact this is just another shipping board?

Mr. WHEELER. That is all. It is just another shipping board.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. McKELLAR. The last Shipping Board throughout almost its entire history as a rule acted entirely in the interest of the shipping companies. So far as I know they never protected the Government's interests. The enormous contributions of the Government to the Shipping Board were frittered away and we finally caught them lending Government money, in one case particularly, at a rate as low as one-eighth of 1 percent interest, and I have been informed that even the interest was not paid.

An enormous amount of money was borrowed to build ships and the agreement was to pay one-eighth of 1 percent interest, but even that interest was not paid, to say nothing of any of the principal. I do not believe anything was ever paid back to the Government. When a shipping company got in a close place it changed its name and organized a new company, and received further benefits from the Government, but gave nothing in return. The last Shipping Board was for many years a scandalous organization all the way through. It was a stench in the nostrils of all honest people. I am opposed to the establishment of another shipping board, regardless of what its name may be.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Washington?

Mr. WHEELER. I yield.

Mr. BONE. As I read the bill, on its face it appears to establish a board of five persons with apparent blanket authority to open the doors of the Treasury of the United States to an unlimited raid by private shipbuilders and private shipping operators. Since I have been in the Senate I believe I have not seen a piece of legislation which proposed to give five men such unlimited power as this bill proposes to give. There are no restrictions on the exercise of their judgment or on the exercise of their lack of judgment. If we are going to pass this kind of measure—and this is not said in a spirit of facetiousness—I should like to have my State enjoy some of the privileges, so that it might take money out of the Federal Treasury to help feed the poor there.

I do not believe the people of the country will ever have a piece of legislation proposed to them which is so flagrantly a proposal to raid on the United States Treasury. I cannot imagine Congress passing this kind of legislation. The records of the Black committee are so damning an indictment of this kind of business that at this time the bill constitutes a bold challenge thrown in the teeth of the hungry people of the Nation. We made multimillionaires overnight under the Jones-White Act of 1928. Men in my section of the country became multimillionaires almost overnight.

The Congress of the United States is doing a dangerous thing in flaunting this kind of a measure in the face of millions of people in the country who today do not know the meaning of economic security. We have no business to be doing this sort of thing. I do not know why the shipping business should not stand on its own feet altogether. There are thousands of little business men in the country who would not presume to come here and ask Members of the United States Senate to vote them a subsidy; and yet they have just as much right, measured by the standards of decency and fair play in business, to ask us to vote them subsidies out of the Treasury of the United States as have the shipping interests to come here and propose or suggest that we pass this kind of legislation.

When we get to the point where a shipping company, for hauling one letter across the ocean, receives sufficient to pay for the ship which hauled it, then the time has come to call a halt. It is time to call a halt before the people become so outraged because of this kind of business that they will send men to the Senate who do not entertain such views, which may not be a very happy day for some of the gentlemen who have enjoyed these largesses out of the Treasury.

Mr. McKELLAR. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. Following up the suggestion made by the Senator from Washington, I recall in the investigation we made of Shipping Board contracts that one of the companies had a contract to carry the mail from San Francisco to some point on the South American coast. Within a year

it carried 3 letters at 6 cents and 45 pounds of parcel post at $2.94, making a total of $3. That concern was given a subsidy of $102,000 a year for 10 years by the Shipping Board of that day, approved by the Postmaster General of that day. That is just one of dozens of such instances which grew up under the granting of ship subsidies. Whenever we establish subsidies we establish graft, and we all know it.

Mr. WHEELER. We cannot separate the two.

Mr. McKELLAR. No; we cannot separate the two.

Mr. WHEELER. After providing that there shall be paid the difference in the cost of building a ship of substantially the same specifications, then the bill goes on to provide as follows:

Provided, however, That the said subsidy may be increased—

After giving the one subsidy to a ship company, it may be increased—

Provided, however, That the said subsidy may be increased by an amount approved by the Secretary of the Navy as representing the extent of the extra cost of constructing, outfitting, equipping, or reconditioning said vessel as a naval auxiliary, and the applicant may also be credited with the estimated present value of the increased cost of operating such vessel during its economic life by reason of such naval provisions, over the cost of operating such vessel for commercial purposes.

I would not say anything that would in the slightest degree injure the feelings of my good friend the Senator from New York [Mr. COPELAND], but I must confess that when I read the bill with this provision I felt it was inconceivable that the Congress of the United States, and particularly the Senate, should for one minute consider passing a bill of this kind with the possibilities for the almost inescapable graft and corruption that is sure to follow in the wake of the passage of such a bill.

I do not believe, and I cannot conceive, that the administration would for one second favor a bill of this kind. It is inconceivable to me that the President of the United States, if he studied this bill, if he examined these provisions, would for one moment sanction or sign a bill containing provisions which would result in scandal such as he must know and everybody else must know would follow, if they have followed the Shipping Board's operations, of which the Senator from Tennessee has spoken.

This bill not only contains the provisions to which I refer but it is filled almost from beginning to end with similar provisions; and if one subsidy is not enough, the framers of the bill have piled another subsidy upon it; and if that is not enough, they have piled another subsidy upon it. There is simply one subsidy upon another. No Government board in the city of Washington could possibly withstand the pressure which would be brought to bear upon it if this kind of legislation should be passed.

I feel that we not only should not pass this bill but, as a matter of fact, that the bill should not be brought up for consideration at all at this time, when there is so much other legislation that is pressing. I feel that it is unfortunate to bring a bill of this kind before the Senate.

Mr. McKELLAR. Mr. President, I have not examined the entire bill; but my recollection is that about 1922 the late Senator from Washington, Mr. Jones, introduced a ship-subsidy bill which probably did not go over one-third as far as this bill goes. If I remember correctly, I spoke for 8 hours and 23 minutes in order to defeat that bill, and it was defeated. Before I got through Senator Jones withdrew the bill, and it never came up again.

I have been against these subsidies for a long time. I think they are very, very bad; but even if they were good, as a general thing they could not possibly be good under the provisions of this bill. In saying that I mean no reflection upon the Senator from New York [Mr. COPELAND], whom I love very much and admire very greatly. I hope he will not think our relations are in the slightest way affected. Ever since I have been in the Senate, for many, many years, I have invariably fought this kind of a subsidy bill, and I am merely carrying out that uniform policy of fighting subsidies. I believe they are wrong.

Mr. COPELAND. Mr. President, in reply to the Senator from Tennessee I desire to say that I am much obliged to him for his kind words. Of course, this is not my bill. It is the bill of the committee which formulated it, and it did so according to the yardstick laid down by the President of the United States. So the Senator does not need to apologize to me. I am simply representing the committee.

Mr. McKELLAR. This bill, then, was not drafted by the Senator's committee, or by him?

Mr. COPELAND. It was not drafted by me.

Mr. McKELLAR. Was it drafted by the Senator's committee?

Mr. COPELAND. It was drafted by the Merchant Marine Subcommittee of the Commerce Committee in conference with the similar committee of the Merchant Marine and Fisheries Committee of the House. This bill is a composite bill. It does not represent my thought.

Mr. McKELLAR. I am very happy to hear it.

Mr. COPELAND. I am for the bill, and at the right time an effective answer can be made to every statement made by the Senator from Montana and by other Senators; but it is not worth while to do that now. It is for the Senate to decide whether or not it cares to consider a subsidy bill which has been asked for by the President. If the Senate does not care to do it, so far as I am concerned I shall be glad of it. I shall have more leisure. I shall be able to do many other things which will be less onerous than this particular thing.

Mr. McKELLAR. I hope the Senator will use his great influence in not pressing the bill at this late time of the session.

Mr. COPELAND. Let me say to the Senator from Tennessee that he brought out, as have the Senator from Montana and other Senators who have spoken, the scandals of the past. In the independent offices appropriation bill of last year a provision was made that the mail contracts should be modified or canceled by the 30th of April of this year. It was then found that we could not get the bill ready by that time, so the time was extended until the 31st of October, because the President desired that some way might be found to cancel or modify those contracts, and not have our country involved in 42 lawsuits.

Mr. McKELLAR. Let me say to the Senator that in my judgment there is danger only in 3 of the 42 lawsuits. There will be no trouble about the Government successfully defending the other 39 lawsuits, because the contracts are void. I hoped we might make some other arrangement on the subject, though not by way of extension of the contracts now in existence, for every one of them except three smells to heaven, and ought to be canceled. The Postmaster General has issued an order canceling them, and they ought to be canceled.

Mr. COPELAND. Oh, no, Mr. President!

Mr. McKELLAR. He has made a report saying that for the most part they are dishonest and corrupt, and that they ought to be canceled.

Mr. COPELAND. I desire to say to the Senator from Tennessee, if I may, with the permission of the Senator from Montana, that I have very serious question if a half dozen of those contracts can be canceled.

Mr. McKELLAR. I examined them very thoroughly a number of years ago. I think it was 4 or 5 years ago that we had an investigation before our committee; and with the exception of one contract which I think was fraudulent in the beginning but which the Congress unfortunately ratified, and two others about which there was a doubt, I came to the conclusion that about 39 of them were fraudulent and void.

Mr. COPELAND. There may be a difference of opinion, of course. Nevertheless, under the provisions of law the President may determine what contracts he thinks may be modified or canceled. He then may offer the amount of money which he feels will liquidate the damage. Then the claimants are permitted to go into the Court of Claims; but just as surely as fate there will be 42 lawsuits, and when we get through we do not know how many millions may be involved.

Mr. McKELLAR. Mr. President——

Mr. COPELAND. Just a moment. I do not desire to enter into any controversy.

Mr. McKELLAR. I am not going to enter into any controversy, but I wish to cite a precedent. We were told the same thing when the air mail contracts were canceled. We were told about the lawsuits that would follow, and I believe there were two or three, and I think one or two of them may be still in the courts. The Government, however, does not stand to lose anything by the cancelation of the air mail contracts, and they were canceled for exactly the same reasons that these contracts ought to be canceled. They were canceled for fraud in their make-up.

Mr. COPELAND. Mr. President, will the Senator from Montana yield further?

Mr. WHEELER. I yield.

Mr. COPELAND. I am not going to undertake for one moment to defend what has happened in the past. That is over the dam so far as I am concerned; but we have an American merchant marine, and we desire to preserve it. Ninety percent of our vessels are over 13 years of age. Seven or 8 years from now we shall have no merchant marine unless we find a way to build it up. The shipping business is not like a railroad within our own country. It is an international business with which we are dealing; and, in my judgment, we shall have to choose between subsidies which represent the difference between the cost of American and foreign operation and subsidies to help in building the ships.

We have chosen to place American workmen upon the seas and to give them exactly the same privileges accorded American workmen upon land, such as an 8-hour shift, plenty of air space in their quarters, and wholesome food. Through the La Follette Acts, of which I myself approve, we have given the American seaman a chance to live, and to live decently. We cannot do that if we do not maintain our American merchant marine.

Senators may choose; they may wipe out all the laws which make for decency and fair treatment of American labor upon the seas; they may wipe out the American merchant marine; but, in my judgment, if we are to do right by our country, we will see to it that we have an effective merchant marine, and if any wise man here can rise in his place and tell us how that can be done except by the payment of subsidies, as proposed by the President in his message of March 4, he will be the wisest man in our whole country.

Mr. BONE. Mr. President, I should like to ask the Senator from New York a question, if I may.

Mr. WHEELER. I yield.

Mr. BONE. I recognize that the Senator is very sincerely devoted to the principle of preserving a merchant marine with the aid of subsidies.

Mr. COPELAND. No; I am in favor of having laws to preserve the American merchant marine. If it can be done without subsidies, I shall be happy.

Mr. BONE. If subsidies be necessary; I will add that qualification.

I have a letter from my State enclosing an advertisement which appeared in a Seattle newspaper. It was the advertisement of a big chain store which is part of a national chain. It advertised coffee, cigarettes, a certain type of lard, canned milk, and one or two other items which I do not at the moment recall.

Mr. LONG. Louisiana molasses.

Mr. BONE. Perhaps molasses. Those articles were advertised at prices which my correspondent advised me were considerably less than the wholesale prices which the independent merchant had to pay for the same merchandise.

This big chain, organized with its headquarters in the East, advertising to the people, the merchants, and the business men of my State, is as much foreign to the population of my section of the country as is the Mitzubishi a foreign corporation to Puget Sound. It makes no difference to me who destroys me; I have no choice of master or executioner. If I am to be destroyed economically, I do not care whether it be a Jap or an American who does it. What I object to is economic or physical destruction.

So the independent merchant in my State has no choice of executioners. If he is to be destroyed, he might as well be destroyed by Japanese competition as to be destroyed by the competition of a gigantic chain store whose competition he can in no wise meet. And he cannot meet competition where the advertised price is far less than the price for which he can buy at wholesale, and he stares destruction in the face.

This is a somewhat roundabout way of getting to my question to the Senator from New York. Does the Senator from New York think that this business man in the State of Washington is entitled to be subsidized in order that he may meet the competition from the chain combine, and if he does not think so, is not this question in order? Is not that merchant in Seattle, or Tacoma, or Spokane, or San Francisco, this independent merchant, who the President says is the foundation of our economic life in this country, and a very important part of our economic life, as much entitled to protection against the ruthless competition of the chain combine as a shipper is entitled to protection against the competition of foreign shipping? I believe he is. If we are to subsidize at all I think the independent business man is as much entitled to protection against the chain combine competition as the shipper is entitled to protection against foreign shipping.

Mr. NYE. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. NYE. The point is made, and there seems to be general agreement, that other nations are able to build ships much more cheaply than we can in the United States. Since many of those nations owe the United States considerable sums of money, and since they seem to be unable to pay because of inability to send to the United States the things which the United States needs, it seems to me that there might be a chance now to afford to ourselves an adequate merchant marine and satisfy in part this indebtedness.

With this in mind I am offering the resolution which I send to the desk and ask to have read and printed.

The PRESIDING OFFICER. The clerk will read.

The resolution (S. Res. 162) was read, as follows:

Whereas various European nations indebted to the United States, with the exception of the Republic of Finland, have ceased to make payment of their obligations to the United States; and

Whereas the United States holds the unconditional obligations of said nations, duly ratified by the parliaments thereof, agreeing to make payment of principal and interest of the amounts due the United States; and

Whereas it has been repeatedly stated that while said nations are desirous of discharging their obligations according to the terms thereof, exchange difficulties and lack of sufficient gold prevent payment in full in money, and that payment in goods manufactured or produced in said debtor nations is the only practicable method of payments of a large part of said obligations; and

Whereas the United States has an inadequate merchant marine, particularly as to modern passenger vessels; and

Whereas several of said debtor nations have recently built passenger vessels of the largest size and highest speed, of a type which the United States does not possess, but which it is desirable and necesary for the United States to possess; and

Whereas it is both possible and practicable for said debtor nations to build for the United States, in part payment of their debts, passenger and freight vessels of modern type, thereby employing labor and utilizing material in the countries of said debtor nations, and avoiding exchange difficulties arising from the transfer of money between debtor and creditor: Now, therefore, be it

Resolved, That the President of the United States be, and he is hereby, respectfully requested to bring the facts above set forth to the attention of maritime European nations indebted to the United States, and invite them to build and furnish to the United States such number and types of passenger and freight vessels as may be mutually agreed upon, the value of said vessels to be applied in part payment of the obligations due to the United States from said nations.

Mr. COPELAND. Mr. President, why does not the Senator include a provision that these vessels shall be operated by foreigners at the expense of foreign nations, so that American labor may be entirely put out of business?

Mr. NYE. Mr. President, I expected that the point would be made that this kind of a program would deprive American labor of the opportunity to labor, and I should like to

call the attention of the Senator from New York to the fact that American shipbuilding yards have never been as busy as they are right now, building under naval contracts for which the Government is responsible. I think we need not be alarmed about that.

Mr. NORRIS. Mr. President, if I may ask a question, I should like to inquire whether this would be constitutional? [Laughter.] Has the Senator given that any attention?

Mr. ROBINSON. Mr. President, does the Senator from North Dakota ask to have the resolution referred?

Mr. NYE. I ask to have it printed and lie on the table.

The PRESIDING OFFICER. The resolution will be printed and lie on the table.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, if the Senator from Montana will yield for that purpose, I move that the Senate proceed to the consideration of executive business.

Mr. WHEELER. I yield.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Col. James T. Buttrick to be a brigadier general in the Marine Corps from the 14th day of May 1935.

He also, from the same committee, reported favorably the nominations of sundry midshipmen to be ensigns in the Navy, revocable for 2 years, from the 6th day of June 1935.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk read the nomination of Alice L. Woolman to be postmaster at Coweta, Okla.

Mr. McKELLAR. Let that nomination go over.

The PRESIDING OFFICER. The nomination will be passed over.

The legislative clerk read the nomination of William E. Emick to be postmaster at Temple City, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the other nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of John Galleher to be State director for Virginia of the National Emergency Council.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, June 26, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 25 (legislative day of May 13), 1935

UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS

Frank Murphy, of Michigan, to be United States High Commissioner to the Philippine Islands, to take office upon the inauguration of the government of the commonwealth of the Philippine Islands.

ADMINISTRATOR OF WORKS PROGRESS ADMINISTRATION

Harry L. Hopkins, of New York, now Federal Emergency Relief Administrator, to be also Administrator of the Works Progress Administration.

APPOINTMENTS IN THE REGULAR ARMY

AIR CORPS

To be second lieutenants with rank from June 30, 1935

Staff Sgt. Ray Willard Clifton, Air Corps.
Sgt. (1st cl.) Randolph Lowry Wood, Air Corps.
Corp. Arnold Theodore Johnson, Air Corps.
Corp. John David Pitman, Air Corps.
Pvt. (1st cl.) Mervin Frederick Stalder, Air Corps.
Pvt. (1st cl.) Noel Francis Parrish, Air Corps.
Pvt. Dolf Edward Muehleisen, Air Corps.
Pvt. Carl Swyter, Air Corps.
Pvt. Richard Cole Weller, Air Corps.
Pvt. Edward Morris Gavin, Air Corps.
Pvt. Robert Edward Jarmon, Air Corps.
Pvt. Harry Crutcher, Jr., Air Corps.
Pvt. Jack Mason Malone, Air Corps.
Pvt. Frank Neff Moyers, Air Corps.
Pvt. Edward Schwartz Allee, Air Corps.
Pvt. Harry Noon Renshaw, Air Corps.
Pvt. Joseph Bynum Stanley, Air Corps.
Pvt. Thomas Frederick Langben, Air Corps.
Pvt. Clarence Morice Sartain, Air Corps.
Pvt. James Hughes Price, Air Corps.
Pvt. Joseph Caruthers Moore, Air Corps.
Pvt. Lawrence Scott Fulwider, Air Corps.
Pvt. Lester Stanford Harris, Air Corps.
Pvt. Eyvind Holtermann, Air Corps.
Pvt. Donald Newman Wackwitz, Air Corps.
Pvt. James Hume Crain Houston, Air Corps.
Pvt. Charles Henry Leitner, Jr., Air Corps.
Pvt. Clair Lawrence Wood, Air Corps.
Pvt. Charles Bennett Harvin, Air Corps.
Pvt. George Henry Macintyre, Air Corps.
Pvt. Bob Arnold, Air Corps.
Pvt. Burton Wilmot Armstrong, Jr., Air Corps.
Pvt. Mell Manley Stephenson, Jr., Air Corps.
Pvt. Harold Lee Neely, Air Corps.
Pvt. Erickson Snowden Nichols, Air Corps.
Pvt. Jasper Newton Bell, Air Corps.
Pvt. Russell Lee Waldron, Air Corps.
Pvt. William Foster Day, Jr., Air Corps.
Pvt. Robert Strachan Fisher, Air Corps.
Pvt. Harry Coursey, Air Corps.
Second Lt. Daniel Edwin Hooks, Air Corps Reserve.
First Lt. Raymond Patten Todd, Air Corps Reserve.

(NOTE.—All of the above are either second or first lieutenants, Air Corps Reserve.)

PROMOTIONS IN THE NAVY

The following-named commanders to be captains in the Navy from the 30th day of June 1935:

William F. Amsden	Jonas H. Ingram
Harry A. McClure	Schuyler F. Heim
Cortlandt C. Baughman	Patrick N. L. Bellinger

Commander Newton H. White, Jr., to be a captain in the Navy from the 1st day of July 1935.

The following-named lieutenant commanders to be commanders in the Navy from the 30th day of June 1935:

William A. Teasley	Wilder DuP. Baker
John B. W. Waller.	Harold J. Nelson
Charles F. Martin	Ralph O. Davis
Benjamin S. Killmaster	Thomas C. Latimore

Lloyd J. Wiltse
Leon O. Alford
William H. Porter, Jr.
Walter A. Hicks
Warner P. Portz

Lt. Comdr. Benjamin F. Perry to be commander in the Navy from the 1st day of July 1935.

The following-named lieutenants to be lieutenant commanders in the Navy, from the 30th day of June 1935:

Augustus J. Wellings
John P. Vetter
John F. Gillon
Royal W. Abbott
Richard R. Hartung
Carleton C. Champion, Jr.
William H. Buracker
John W. Higley
John F. Crowe, Jr.
Francis P. Old
William H. Wallace
Joseph U. Lademan, Jr.
Hugh W. Turney

Lt. (Jr. Gr.) Cameron Briggs to be a lieutenant in the Navy from the 22d day of May 1935.

Lt. (Jr. Gr.) William L. Messmer to be a lieutenant in the Navy from the 31st day of May 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June 1935:

Frederick N. Kivette
Ira E. Hobbs
Monroe Y. McGown, Jr.
Harold O. Larson
John O. Lambrecht
John H. Griffin
Russell S. Smith
Thomas H. Tonseth
Joseph H. Wellings
Clyde F. Malone

Lt. (Jr. Gr.) Adolph Hede to be a lieutenant in the Navy from the 1st day of July 1935.

Ensign Samuel H. Porter to be a lieutenant (junior grade) in the Navy from the 4th day of June 1934.

The following-named ensigns to be lieutenant (junior grade) in the Navy from the 2d day of June 1935:

Albert A. Wellings
Thomas G. Warfield
Charles F. Brindupke
John P. Roach
William H. Raymond, Jr.

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 6th day of June 1935:

Warren W. Armstrong
Rodney J. Badger
Robert Van R. Bassett, Jr.
Charles R. Beaman
John J. Becker
John W. Bottoms
Graham P. Bright
Frederic W. Brooks
Thomas A. Brown
Romondt Budd
Glenn W. Clegg
John B. Cline
Edward F. Denney
Christian L. Ewald
Charles Fadem
George S. Fuller
Henry C. Gearing, 3d
Stephen H. Gimber
Herschel J. Goldberg
Thomas H. Henry
Edgar S. Keats
Page Knight
Henry P. Knowles
Fletcher McC. Lamkin
Holman Lee, Jr.
Joseph M. Lyle
Robert S. Mandelkorn
Charles H. McCarthy, Jr.
Thomas D. McGrath
William A. McManus
Norman H. Meyer
Byron H. Nowell
George A. O'Connell, Jr.
John G. O'Handley
Eli T. Reich
William T. Samuels
Matthew S. Schmidling
Howard Z. Senif
Thomas F. Sharp
Charles S. Sharrocks
Eugene W. Shellworth
Stephen Sherwood
Thomas D. Shriver
Emory D. Stanley, Jr.
Henry L. Thomas
Edgar D. Vestel, Jr.
Howard S. Westin
James W. Whaley
Richard B. Winfield
Robert C. Wing
Barclay J. Woodward, III

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, from the 30th day of June, 1935:

Lyle J. Roberts
Morton D. Willcutts
John W. Vann
Sterling S. Cook
Bertram Groesbeck, Jr.
Louis E. Mueller
Carl A. Broaddus

The following-named paymasters to be pay inspectors in the Navy, with the rank of commander, from the 30th day of June, 1935:

William V. Fox
Charles L. Austin

Passed Asst. Paymaster Julius J. Miffitt to be a paymaster in the Navy, with the rank of lieutenant commander, from the 1st day of January, 1934.

The following-named assistant naval constructors to be naval constructors in the Navy, with the rank of lieutenant, from the 3d day of June, 1935:

Armand M. Morgan
Robert S. Hatcher
John J. Herlihy
Edward W. Clexton
Edward V. Dockweiler
Wendell E. Kraft
John J. Scheibeler

CONFIRMATIONS

Executive nominations confirmed by the Senate June 25 (legislative day of May 13), 1935

NATIONAL EMERGENCY COUNCIL

John Galleher to be State director of the National Emergency Council for Virginia.

POSTMASTERS

CALIFORNIA

William E. Emick, Temple City.

NEBRASKA

William J. McCorkindale, Bellevue.
Fred B. Householder, Bladen.
Henry A. Georgi, Dawson.
Kenneth A. Scofield, Neligh.
Frank C. Allen, Newport.
Adolpf E. Kaspar, Prague.
Mary B. Kanaly, Rulo.
Tarsney H. Winfrey, Stella.

NEW YORK

Thomas LeRoy Wardle, Amityville.
Andrew J. Melton, Bay Shore.
Benjamin F. Griffin, Camillus.
Milton L. Rogers, Fayetteville.
John L. Mack, Gasport.
Grant W. Fuller, Gouverneur.
Everard K. Homer, Livingston Manor.
Donald Decker, Port Ewen.
Mary F. Chambers, Shortsville.
Albert B. Sabin, Wolcott.

NORTH DAKOTA

Walter E. Harke, New Leipzig.

UTAH

Clarence E. Smith, Spanish Fork.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 25 (legislative day of May 13), 1935

POSTMASTER

VERMONT

Earl W. Davis to be postmaster at Bridgewater, in the State of Vermont.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 25, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, only Thou art holy. Thou art the Infinite One, in whom there is supreme excellence. Centering in Thyself are purity, sacrifice, moral power, and affluence transcending everything of which we could possibly conceive. Blessed Lord God, kindle in us zeal, enthusiasm, and self-consecration that shall give us the divinest of all powers. Brood over our land; many there are whose morning sunshine is darkness; countless lives that should be happy are embittered and blighted by poverty, unkindness, and injustice; help them to see the bow in the clouds. We praise

Thee that the mystery of love is profounder than the mystery of affliction, and Thou art love. Inspire us to walk out of the chapters of the Holy Bible and put into our daily conduct a power that restores and opens up the heart of God. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 805. An act for the relief of Luther M. Turpin and Amanda Turpin;

H. R. 1315. An act for the relief of Thomas J. Gould;

H. R. 1703. An act for the relief of Cletus F. Hoban;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 2987. An act for the relief of E. W. Tarrence;

H. R. 4817. An act for the relief of Matthew E. Hanna;

H. R. 6504. An act to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America and providing compensation therefor"; and

H. R. 6630. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4760. An act to increase the statutory limit of expenditure for repairs or changes to naval vessels; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2276) entitled "An act to authorize participation by the United States in the Interparliamentary Union."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 166. An act for the relief of Jack Doyle;

S. 810. An act equalizing annual leave of employees of the Department of Agriculture stationed outside the continental limits of the United States;

S. 1084. An act for the relief of W. F. Lueders;

S. 1225. An act for the relief of Harry H. A. Ludwig;

S. 1313. An act providing for waiver of prosecution by indictment in certain criminal proceedings;

S. 1689. An act for the relief of Frank Fisher;

S. 1690. An act for the relief of R. G. Andis;

S. 1735. An act for the relief of the estate of W. W. McPeters;

S. 1861. An act to incorporate the National Association of State Libraries;

S. 1935. An act for the relief of Marion Shober Phillips;

S. 1980. An act for the relief of Lewis Worthy and Dennis O. Penn;

S. 2253. An act to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience;

S. 2367. An act to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes;

S. 2551. An act to make immediately available the unexpended balances of certain appropriations for the construction or reconstruction of roads and bridges in the flood areas of Missouri, Mississippi, Louisiana, Arkansas, Kentucky, and Alabama; and

S. 2818. An act for the relief of Blanche L. Gray.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with tomorrow.

The SPEAKER. Is there objection?

There was no objection.

THE AVENUE OF MEMORIES

Mr. DUFFEY of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the gentleman from Massachusetts [Mr. HEALEY] at Medford, Mass., on Sunday, June 23, 1935, at the dedication of The Avenue of Memories.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DUFFEY of Ohio. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from Massachusetts [Mr. HEALEY] at Medford, Mass., on Sunday, June 23, 1935, at the dedication of The Avenue of Memories.

Comrade Chairman, Comrade Commander, comrades, and fellow citizens, Medford Post, American Legion has sponsored this occasion today for the purpose of paying a unique and signal honor to its departed comrades—men of the World War who paid the supreme sacrifice in the service of their country.

Today the veterans of this city and their fellow citizens are commonly united in one purpose, to dedicate to their hero dead a lane of trees, to be known as the "avenue of memories", each tree to perpetuate the patriotism of a Medford boy who sacrificed his life for his country.

It is strikingly in keeping with the traditional patriotism of the residents of Medford—in the historic county of Middlesex—that they should honor their heroic dead in such an appropriate manner.

For was it not here on this ground that so much transpired which led to the birth of a new freedom and gave to the world a new principle of government—a government controlled by the people and exercised for their common benefit? When the original Thirteen Colonies were struggling for the recognition of what they conceived to be their inalienable rights it was here in this historic county that a new leadership was evolved, a leadership destined to bring forth a new nation which was to blossom and to flower into world-wide supremacy.

Here in this county are recorded the first acts of the glorious struggle which led to our independence and nowhere were there more heroic and glorious sacrifices.

The spirit of the original settlers of this community, who so valiantly and unselfishly devoted their lives and property to the cause of freedom has hallowed this ground. It has been transmitted—not alone to their posterity—but also to those who came here from foreign shores to adopt this country as their own, and to their sons and daughters.

When, approximately a century and a half after our early struggle, this Nation—now grown to leadership among nations—through force of circumstances was plunged into a world-wide conflict, animated by the traditional patriotism nurtured here, the youth of Medford quickly responded to the service of their country. They mingled with their fellows from the four corners of this great Nation, to engage in the grimmest and most bloody holocaust in the history of civilization. Many of them were destined never to see their native land again. Their memories we honor today, and it is indeed a fine tribute to their sacrifice that so many of the citizenry of this community have assembled here to pay homage to them.

Our land is dotted with buildings, monuments, and temples in honor of our heroic dead of all wars, beautiful in architecture, ornamental in design, and wrought in enduring materials. But how beautiful the thought which inspired the planting of this row of saplings, each designated to commemorate the life of a fallen comrade. A few years and they will attain a luxuriant growth and this avenue will be transformed into a lovely sylvan lane. Living memorials, vibrant with life, the handiwork of the Creator Himself, to be nurtured by His life-giving soil, sustained and strengthened by the warmth of His sun. What is more conducive to reminiscence and contemplation than such a lane as this will be—shadowed by sylvan branches—a fretted vault and lengthy aisle of the cathedral of the sky. Here will be instilled in the hearts of the young who shall play here the principles of loyalty and devotion, and upon the hearts of those lovers who may seek its future sylvan beauty, will be impressed the price their forbears paid that they might enjoy its peace and serenity.

In such a place we may well conjure the thoughts of a soldier—tired, war weary, discouraged—pausing gratefully beneath the cooling shade of a tree and contrasting its God-given loveliness with the horrors of man-made war.

In the lulls between the fighting many a soldier must have dreamed and longed for just such a lane as this is to be, shaded by cool, tall trees, in peace and tranquillity—traversed by those he knew and loved—many long, weary miles away, across the heaving ocean. Joyce Kilmer, the soldier-poet, found his inspiration in trees and gave to us not only the example of his sac-

rifice but his splendid tribute to them, phrased in the language of immortality; and when, a short time later, he received his mortal wound and his eyes, closed forever in the sleep that knows no waking, perhaps there sounded in his ears the sweet symphony of his own words:

"I know that I shall never see
A poem lovely as a tree
A tree whose hungry mouth is pressed
Against the earth's sweet flowing breast."

But while we are gathered here to pay solemn honor to the memory of our departed comrades, it is singularly appropriate that we should dedicate ourselves to their unfinished task.

Today we are still engaged in a titanic struggle against the havoc of depression, although we are slowly but surely emerging from the numbing despondency of its deathly grip. We have witnessed the most complete economic and industrial collapse the Nation has ever known. We have experienced a great emergency, an emergency at least as great as any ever created by the devastating hand of war. Never before was destitution so wide-spread and universally experienced. Rich and poor, high and low, all have felt its withering grasp or seen its shadow cross their threshold. It has known no local aspects but has spread to every corner of our land, transcending our national boundaries, and, like some awful plague of old, swept the earth, in the intensity of its onslaught. While engaged in war we have at least known the identity and nature of the foe, but in our struggle against depression we have been harassed by a great unseen and unknown enemy.

The destructive causes of this great economic collapse were so insidious that they were not discovered until our racking illness had progressed almost to the point of economic and national death.

Within the last three decades our Nation underwent a period of tremendous industrialization and economic expansion, culminating in the period of the World War—when the United States changed from a debtor to a creditor Nation. During the progress of this great industrial development our Government consistently maintained a "hands off" policy but—with maternal care—furnished every protection to its infant industries, and, in many cases, aided by subsidizing their development.

But, while the offspring thus aided developed into an apparently robust maturity, it was only a surface healthfulness, for grave dangers lurked within, which in the startling growth from adolescence to virility had been all but overlooked. In place of the personal relationship of consumer and merchant, employer and worker, producer and distributor, there was developing an impersonal, intangible organization of industry and commerce. The rise of giant corporations so far removed workers from their employers that they became almost automatons. In place of the small business man who actively managed his business, there developed the remote control of business through sheer possession of money. The personal pride of man in serving, and serving well, his fellow man, gave place to the mere sale of services in return for an equivalent in dollars and cents. The spiritual satisfaction of service and work was lost in the scramble for money and material gains. Money became almost the sole object of all striving, and the humane, social, and spiritual values of our forbears were lost in the new order.

While there may have been some temporary material gains and advances accruing from this development, it gave rise to abuses and evils which far offset any of its benefits. The scorching pace in the race for power obtained through money and the control of money left little time for consideration of humane and social standards. Business ethics gave way to cutthroat competition. Child labor, sweatshops, overcapitalization, centralization of control in the hands of a few, excessive hours of employment, wage cutting, subordination of the man to the machine—in short, the evils had so intrenched themselves as to command the situation, The machine, which should have been the servant of man, now became his master and millions of American workers were reduced to economic serfdom and millions of others thrown out of employment.

Our Constitution was designed to promote the general welfare of all the people of the United States. Under its terms the people of this country have enjoyed and still are enjoying a greater measure of freedom and opportunity than is afforded by any other charter or instrumentality of Government conceived by the mind of man. But a constitution enacted to promote the general welfare of all the people can certainly not be held to be an instrumentality for the perpetuation of those evils most destructive of that welfare. But in our desire to perfect legislation to eradicate evils—the evils of our economic and social order, which are now apparent—we should not abridge any of those safeguards afforded our liberty by that great instrument.

During the past 2 years much has been accomplished to check the onslaught of the depression and foster a return to normalcy. Legislation was enacted—sometimes hurriedly—designed to remedy the evils which harassed our economic and social existence, and a sincere and humane effort has been made to provide to every man the opportunity of earning a living for himself and family and to attain a measure of security in old age and adversity. The situation called for speedy and decisive action. Perhaps mistakes were made. But it is beyond question that the benefits derived from this legislation were numerous and known to all.

A momentous decision has just been rendered by the highest court of our land, declaring the foremost instrument of the new recovery program unconstitutional and setting forth that certain other constitutional guaranties are inviolate. The doctrine of State rights, a doctrine always dear to the American people, has been sustained against invasion by national legislation. Our Government is a government of laws and not of men. It is the duty of all Americans to maintain it so.

However, we cannot consent to the view that the decision of the Supreme Court is the signal for business to again plunge into an orgy of destructive competition and ruthless labor policies. It means no such thing. Now that we have recognized those elements of the codes of fair competition which have proven to be beneficial, we cannot tolerate again the unsound and suicidal methods rampant before their advent. Certainly somewhere within the four corners of the Constitution there will be found some means whereby we may safeguard the American people from the ruthless exploitation of a favored few. We cannot believe that those men who set out to guarantee to all Americans life, liberty, and the pursuit of happiness preempted us from accomplishing the very ends which they espoused, a people free from tyranny of any sort, whether it be political or economic.

Our own Commonwealth of Massachusetts has been a leader in the enactment of humane and progressive legislation. For many years now, it has had laws in its statute books which have prevented the employment of children in industry, regulated hours of employment, and established minimum wages, and other laws designed for protection of the safety and health of employees. But, by the enactment of these very laws, we have been placed in a disadvantageous position in industrial competition with those States which have little or no regulatory legislation of this nature.

During this session a bill was passed by the lower branch of Congress giving its consent to the several States to enter into compacts or agreements affecting the relationship of employer and employee. Here, it seems, may be a vehicle by which the known beneficial results of the new order may be achieved and perpetuated in conformance with the Constitution and the doctrine of State rights.

Of course, the formation of such agreements will depend upon an awakened public conscience and a persistent demand by the people of those States which have been backward in the enactment of such humane legislation.

It is the task of Congress and the people of the United States to solve this problem. Even now, in the Halls of Congress, a determined study is being made of the situation. Throughout the Nation statesmen and scholars are engaged in its solution.

But in the ultimate sense the solution can come only from the great body of the American citizenry. It is their will which eventually governs and determines the policies of our Nation. From their awakened consciousness is evolved the leadership to carry out progressive policies suited to their needs. Under our form of government theirs is the ultimate power to ratify or reject such policies as have been undertaken.

Through the agencies of the new order the people of the United States have been awakened to the destructive methods which have existed in our economic order. We have been lifted to higher standards. It is my firm conviction that an aroused citizenry will cling determinedly to the beneficial gains which have been made and will never permit a return to the dangerous and destructive conditions which threatened the very existence of our Government.

It is indeed fitting that those men who engaged in the World War should engage again in peace-time efforts in the cause of their country. Among them are to be found the leaders of their respective communities. The American people have always respected and honored those men who wore the uniform of their country in time of distress and emergency. They underwent the dangers and rigors of war and placed the disposition of their lives in the hands of the Nation. Over all hovered the shadow of possible death and all were baptized in the highest ideals of patriotism and love of country.

Our Nation is fortunate to have such an organization as the American Legion and similar veterans' organizations, composed of men who bore arms in its service. These organizations are ever vigilant to preserve the integrity of our institutions, our traditions, and ideals.

Comrades of the American Legion, you have dedicated today a beautiful and enduring memorial to preserve the memories of your departed comrades, a living tribute which will serve as a lasting reminder throughout your generation and generations to come of the unselfish, undying devotion of those men whom we have honored today. May God grant that just as these trees shall blossom and flourish from spring to spring, so, too, may our Nation prosper; and as their leafy branches spread their cool shelter, so, too, may our Government safeguard and preserve the liberty and happiness of its people, disseminating its beneficence with equal justice to all.

REPORT FROM RULES COMMITTEE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report from that committee.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial appearing in the Meridian (Miss.) Star,

under date of Sunday, June 23, 1935, entitled "The Goal Is Near."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Reserving the right to object, I think the gentleman from Mississippi, as well as other Members of the House, know that we are not permitting editorials to go into the RECORD. For that reason I shall object.

Mr. DUNN of Mississippi. Will the gentleman withhold his objection for me to make this observation?

This is an editorial commemorating the five hundred and tenth hour of two young Mississippi boys who have been attempting to establish a nonstop refueling record. They are in the air now, making a contribution to science and patriotism.

Mr. RICH. I want to say that the RECORD will be in the air if we would permit all of these editorials to go in from newspapers. For that reason I must object.

AMERICAN MERCHANT MARINE

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 275.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8555, a bill to develop a strong American merchant marine, to promote the commerce of the United States, and so forth. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RANSLEY] such time as he may desire.

Mr. RANSLEY. There is no time desired on this side of the aisle.

Mr. GREENWOOD. Mr. Speaker, House Resolution 275, which I am calling up from the Rules Committee, provides for consideration of H. R. 8555, from the Committee on Merchant Marine and Fisheries. This is known as the bill providing for subsidies for the merchant marine. It is an administration measure to take care of the shipping interests of the Nation, and to take care of certain contracts for carrying the mail which have been canceled and which are up for readjustment.

It is an open rule, providing for 3 hours' general debate, which shall be confined to the bill and allowing full freedom of amendment. I shall not attempt to discuss the merits of the bill, because the gentleman from Virginia [Mr. BLAND] and other members of the committee are much more familiar with it than I.

I now yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, I shall vote for this rule, although I think it is obvious to the Membership of the House that it would be impossible to intelligently and orderly consider the bill and the subject matter of it in the amount of time allotted under the rule. I am sure it is a good bill because it comes from a great committee with a great chairman. That committee has given long, conscientious and faithful consideration to the subject and has conducted hearings which consumed about 1,200 pages of printed matter.

Mr. Speaker, I have no objection to being gagged, reasonably. I would like for it to be done in a sort of a decent manner, so that I can, to some extent, retain my legislative self-respect, though I am not particularly complaining about this particular matter. What I want to say at this moment in relation to this subject is to comment upon headlines in the Washington Post this morning, which serve notice that the House of Representatives will be asked to pass a tax bill in 5 days.

Mr. Speaker, I am willing to vote for a tax bill. I am willing to help levy taxes necessary to pay for the unusual and the emergency expenditures that we have been called upon to make, because I voted for those expenditures. If the President feels this is an opportune time to embark upon that program, I am willing to do it. I am willing to subscribe to the proposition that "those who have should give", and that people should contribute to the cost of government, reasonably in proportion to their benefits and their ability. I am not, however, going to vote for any share-the-wealth or soak-the-rich proposition, and I dislike being classed with those who advocate such proposals. I am somewhat amazed that the administration and our leaders have permitted their tax proposals to go labeled as a share-the-wealth scheme.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. The gentleman knows, of course, that those are just newspaper headlines.

Mr. WOODRUM. Well, it is just newspaper headlines, and this is the headline in the newspaper this morning, serving notice, "President Rushes Tax Program—Leaders Seek Passage in 5 Days."

Who are the leaders? Who are the leaders of either branch of this Congress who are going to ask a national legislative body to pass such a comprehensive tax bill in 5 days? Now name them. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. O'CONNOR. I have reason to believe that there is no truth whatsoever in that story, and I may say, to pass a tax bill of that kind by the end of this week would be a good trick if we did it.

Mr. WOODRUM. Yes; and it will not be done, either.

Mr. O'CONNOR. Of course it will not be. [Applause.]

Mr. WOODRUM. Mr. Speaker, I believe there are Members of this House on both sides of the aisle who will stand against any such asinine and ridiculous proposal, no matter who may suggest it. [Applause.]

In the first place, a careful reading of the body of the newspaper article does not support the headlines. I am absolutely convinced that the President of the United States never made any such suggestion, nor have any of the responsible leaders of the House made any such suggestion. My purpose here is to serve notice to the Congress and to my constituents that, so far as I am individually concerned, I am willing to stay here all summer, if necessary, to work out in an orderly manner a reasonable, proper tax program in order to raise the necessary revenue to run this Government; but if anybody undertakes to ram a tax bill down my throat in 5 days, I believe with 12 years' experience in Congress I know a few tricks, and it will not be done that quickly.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. TAYLOR of Colorado. May I say on behalf of myself individually and so far as I have the authority to speak for anybody else that I coincide substantially with what the gentleman says. I have not been consulted in reference to any tax program. But I am confident there will be no 5-day rush legislation, as indicated by some newspapers. I believe headlines and newspaper articles of that kind are politically inspired for the purpose of creating trouble and stirring up strife in Congress and dissension throughout the country for partisan purposes. I feel that is the basis of it. I think there is really no truth in the statements.

Mr. WOODRUM. I am glad to have the gentleman's disavowal.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I offer an amendment to the resolution, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. O'CONNOR: On page 2, line 3, after the comma, insert "and the previous question shall be considered as ordered on the bill."

Mr. O'CONNOR. Mr. Speaker, I may say that this amendment covers a line that was dropped out inadvertently by the Government Printing Office.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. O'CONNOR].

The amendment was agreed to.

Mr. GREENWOOD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes.

The question was taken; and on a division (demanded by Mr. LEHLBACH) there were—ayes 79, noes 0.

Mr. LEHLBACH. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 335, nays 14, not voting 80, as follows:

[Roll No. 105]

YEAS—335

Adair	Daly	Higgins, Conn.	Mead
Allen	Darden	Higgins, Mass.	Meeks
Andresen	Darrow	Hildebrandt	Merritt, Conn.
Andrew, Mass.	Delaney	Hill, Ala.	Merritt, N. Y.
Andrews, N. Y.	Dempsey	Hill, Knute	Michener
Arends	Dickstein	Hill, Samuel B.	Millard
Arnold	Dies	Hobbs	Miller
Ashbrook	Dirksen	Hoeppel	Mitchell, Ill.
Ayers	Disney	Hoffman	Mitchell, Tenn.
Bacharach	Ditter	Holmes	Monaghan
Barden	Dobbins	Hook	Montet
Beiter	Dockweiler	Hope	Moran
Biermann	Dondero	Huddleston	Moritz
Binderup	Dorsey	Imhoff	Mott
Blackney	Droughton	Jacobsen	Murdock
Bland	Doxey	Jenckes, Ind.	Nelson
Blanton	Drewry	Jenkins, Ohio	O'Brien
Bloom	Driscoll	Johnson, Tex.	O'Connell
Boehne	Driver	Johnson, W. Va.	O'Connor
Boland	Duffey, Ohio	Jones	O'Day
Bolton	Duffy, N. Y.	Kahn	O'Leary
Boylan	Duncan	Kee	O'Neal
Brennan	Dunn, Miss.	Kelly	Owen
Brown, Ga.	Dunn, Pa.	Kennedy, Md.	Parks
Brown, Mich.	Eagle	Kennedy, N. Y.	Parsons
Brunner	Eckert	Kenney	Patman
Buck	Edmiston	Kerr	Patterson
Buckbee	Ekwall	Kimball	Patton
Buckler, Minn.	Ellenbogen	Kinzer	Pearson
Burch	Engel	Kleberg	Peterson, Ga.
Burdick	Evans	Kloeb	Pettengill
Burnham	Faddis	Knutson	Pfeifer
Caldwell	Farley	Kocialkowski	Pierce
Cannon, Mo.	Fenerty	Kramer	Plumley
Carlson	Ferguson	Kvale	Powers
Carmichael	Fernandez	Lambertson	Rabaut
Carpenter	Fiesinger	Lambeth	Ramsay
Cary	Fish	Lanham	Ramspeck
Castellow	Fitzpatrick	Lea, Calif.	Randolph
Cavicchia	Flannagan	Lee, Okla.	Rankin
Celler	Fletcher	Lehlbach	Ransley
Chandler	Focht	Lewis, Colo.	Reece
Chapman	Ford, Calif.	Lloyd	Reed, Ill.
Christianson	Ford, Miss.	Lord	Reed, N. Y.
Church	Fuller	Lucas	Reilly
Citron	Fulmer	Luckey	Rich
Claiborne	Gassaway	Ludlow	Richards
Clark, N. C.	Gavagan	Lundeen	Richardson
Coffee	Gildea	McAndrews	Robertson
Colden	Gillette	McCormack	Robinson, Utah
Cole, Md.	Gingery	McFarlane	Robsion, Ky.
Cole, N. Y.	Goldsborough	McGrath	Rogers, Mass.
Collins	Granfield	McGroarty	Rogers, Okla.
Colmer	Gray, Ind.	McLaughlin	Romjue
Connery	Gray, Pa.	McLean	Rudd
Cooley	Green	McLeod	Sabath
Cooper, Ohio	Greenwood	McMillan	Sadowski
Cooper, Tenn.	Greever	McReynolds	Sanders, La.
Costello	Gregory	McSwain	Sanders, Tex.
Cox	Griswold	Maas	Sandlin
Cravens	Guyer	Mahon	Schaefer
Crawford	Gwynne	Maloney	Schuetz
Crosby	Halleck	Mansfield	Schulte
Cross, Tex.	Hamlin	Mapes	Scrugham
Crosser, Ohio	Hancock, N. Y.	Marshall	Secrest
Crowe	Harlan	Martin, Mass.	Shanley
Crowther	Hart	Mason	Sirovich
Culkin	Harter	Massingale	Sisson
Cullen	Healey	Maverick	Smith, Va.
Cummings	Hess	May	Smith, Wash.
Smith, W. Va.	Tarver	Umstead	Whittington
Snell	Taylor, Colo.	Utterback	Wigglesworth
Snyder	Taylor, S. C.	Vinson, Ga.	Wilcox
South	Terry	Vinson, Ky.	Williams
Spence	Thom	Wadsworth	Wilson, La.
Stack	Thomas	Wallgren	Wilson, Pa.
Starnes	Thomason	Walter	Wolcott
Steagall	Thompson	Warren	Wolfenden
Stefan	Tinkham	Wearin	Woodruff
Stewart	Tobey	Weaver	Woodrum
Stubbs	Tolan	Welch	Young
Sutphin	Tonry	Werner	Zimmerman
Sweeney	Treadway	West	Zioncheck
Taber	Turner	Whelchel	

NAYS—14

Amlie	Gilchrist	Pittenger	Truax
Boileau	Hull	Sauthoff	Withrow
Cannon, Wis.	Johnson, Okla.	Schneider	
Gehrmann	O'Malley	Thurston	

NOT VOTING 80

Bacon	Dingell	Kopplemann	Quinn
Bankhead	Doutrich	Lamneck	Rayburn
Beam	Eaton	Larrabee	Rogers, N. H.
Bell	Eicher	Lemke	Russell
Berlin	Englebright	Lesinski	Ryan
Brewster	Frey	Lewis, Md.	Scott
Brooks	Gambrill	McClellan	Sears
Buchanan	Gasque	McGehee	Seger
Buckley, N. Y.	Gearhart	McKeough	Shannon
Bulwinkle	Gifford	Marcantonio	Short
Carter	Goodwin	Martin, Colo.	Smith, Conn.
Cartwright	Greenway	Montague	Somers, N. Y.
Casey	Haines	Nichols	Sullivan
Clark, Idaho	Hancock, N. C.	Norton	Sumners, Tex.
Cochran	Hartley	Oliver	Taylor, Tenn.
Corning	Hennings	Palmisano	Turpin
Dear	Hollister	Perkins	Underwood
Deen	Houston	Peterson, Fla.	White
DeRouen	Keller	Peyser	Wolverton
Dietrich	Kniffin	Polk	Wood

So the motion was agreed to.

The Clerk announced the following pairs until further notice:

Mr. Buchanan with Mr. Seger.
Mr. Martin of Colorado with Mr. Wolverton.
Mr. Cochran with Mr. Perkins.
Mr. Sears with Mr. Gifford.
Mr. Hancock of North Carolina with Mr. Carter.
Mr. Beam with Mr. Bacon.
Mr. Cartwright with Mr. Doutrich.
Mr. Corning with Mr. Goodwin.
Mr. Bulwinkle with Mr. Brewster.
Mr. Lewis of Maryland with Mr. Eaton.
Mr. Somers of New York with Mr. Gearhart.
Mr. Gasque with Mr. Englebright.
Mr. Sumners of Texas with Mr. Hollister.
Mr. Haines with Mr. Short.
Mr. Bankhead with Mr. Turpin.
Mr. Kniffin with Mr. Hartley.
Mr. Underwood with Mr. Taylor of Tennessee.
Mr. Sullivan with Mr. Lemke.
Mr. Rayburn with Mr. Marcantonio.
Mr. Polk with Mr. Russell.
Mr. Peterson of Florida with Mr. Eicher.
Mr. Oliver with Mr. Dingell.
Mrs. Norton with Mr. Deen.
Mr. Montague with Mr. Clark of Idaho.
Mr. Larrabee with Mr. Casey.
Mr. Rogers of New Hampshire with Mr. McClellan.
Mr. Lamneck with Mr. Bell.
Mr. McGehee with Mr. Lesinski.
Mr. Berlin with Mr. Dear.
Mr. Nichols with Mr. Brooks.
Mr. McKeough with Mr. Buckley of New York.
Mr. DeRouen with Mr. Quinn.
Mr. Scott with Mr. Dietrich.
Mr. Frey with Mr. Smith of Connecticut.
Mr. Gambrill with Mr. Hennings.
Mrs. Greenway with Mr. White.
Mr. Houston with Mr. Keller.
Mr. Wood with Mr. Peyser.

Mr. GEHRMANN and Mr. GILCHRIST changed their votes from "aye" to "no."

The result of the vote was announced as above recorded.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, with Mr. MAY in the chair.

The Clerk read the title of the bill.

Mr. BLAND. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Chairman, of the time allotted to me I yield 30 minutes to the gentleman from Iowa [Mr. WEARIN], to be disposed of as he may see fit.

I yield myself 25 minutes, Mr. Chairman.

Mr. Chairman, I desire to pay a tribute to the members of the committee over which I have the honor to preside. When you consider the hearings on this bill and the time that was taken in the preparation of the measure you will realize the burden that has rested upon these men on both sides. They have attended the hearings, they have worked diligently day after day in trying to formulate a bill that would provide an American merchant marine. I may say with respect to those who did not agree with us that they have rendered valuable service in the formulation of the measure.

On March 4 the President of the United States sent to the Congress a message dealing with this subject, and accompanying this message was a letter from the Postmaster General, and also a report from the interdepartmental committee. We have considered this message in its entirety. We have also considered the reports. While we have not been able to present at this time many of the salutary things contained in some of these reports, they will be the subject of future legislation.

The hearings were held on March 19, 20, 21, 22, 23, 26, 27, April 30, May 1, 2, 3, 4, 6, 7, and 8, and almost continuously from the conclusion of these hearings up to the time the bill was reported, the committee has been in session considering the measure. We believe we have complied with the message of the President, and there will be found in the report a letter from the Secretary of Commerce to the effect that the Department of Commerce endorses this bill.

In two respects we have departed from the message of the President. I shall discuss them before going into a discussion of the details of the bill.

First, we have continued the Construction Loan Fund. The President suggested that it be eliminated. We gave most careful consideration to this proposed elimination, but we felt that in the interests of all of the ports of the country, in the interest of protection from monopoly, it was necessary to provide a fund which might be used as an aid in the way of loans for the purpose of construction.

This security is ample. I wish to call attention to the fact that in the beginning of the Construction Loan Fund there was originally authorized loans amounting to $148,000,000, of which $47,000,000 has been repaid. Of the outstanding loans to date of $101,000,000, 7 companies out of 34 are in arrears amounting to 3½ percent of the total loans outstanding. No losses have been sustained by the Government as a result of the construction loan transactions, and the Government today can take over the ships on which the loans have been made at any time there is default, and protection to the Government is afforded.

The other particular is with respect to the transfer of regulatory powers to the Interstate Commerce Commission. We felt it would be unwise at this time to make this transfer, first, because foreign commerce regulation has not been centered in the Interstate Commerce Commission; second, they are not familiar with the problems; and, third, in this period of transition from the policy that has been pursued in the past to the new policy we seek to inaugurate, we felt that this transfer should be at least held in abeyance.

Furthermore, in the testimony of Mr. Eastman before the committee on the water carrier bill—and I had expected to have a copy of that testimony with me—he stated that the insertion of the suggestion that foreign-commerce regulation should be transferred to the Interstate Commerce Commission was put in at the last hour, and that he did not know anything about foreign commerce or matters pertaining to its regulation, very frankly and openly admitting, so far as that was concerned, he was not acquainted with the details of that regulation. We feel, therefore, that this suggestion is possibly an eminently wise one to defer until there shall be a new set-up and further consideration.

Mr. Chairman, the President in his message distinctly said that he proposes to end the subterfuge of mail contracts as subsidies and he made distinct and definite recommendations.

Approached in this way a subsidy—

Said the President—

amounts to a comparatively simple thing. It must be based upon providing for American shipping Government aid to make up the differential between American and foreign shipping costs. It should cover first the difference in the cost of building ships; second, the difference in the cost of operating ships; and, finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping.

This we have undertaken to follow.

The bill begins with a declaration of policy on the part of the United States, which is very slightly different from the policy that has been announced in the past; the policy announced in the 1920 act, the policy announced in the 1928 act, and the policy which we believe to be the true objective of this Nation if it is to keep its place on the seas, to provide adequate defense in time of war, and the promotion of foreign commerce in time of peace. Practically the only difference that we have made is that we have provided that our merchant marine shall be sufficient to carry 50 percent of the foreign and domestic water-borne commerce, outgoing and ingoing.

The importance of this measure is so great that we felt that there should be a board appointed by the President, composed of men peculiarly qualified to handle these important problems, and so we have provided a United States Maritime Authority.

They are men carefully selected, to be chosen by the President of the United States, and to be confirmed by the Senate. They are to be men who shall not at the time of their qualification and taking office be employed or hold any relation to any water carrier. They shall not be in the employ of or hold any official relation to any carrier by water or any person carrying on the business of shipbuilding, ship repairing, marine insurance, stevedoring, ship chandler, or forwarding or furnishing towboats, wharfage, docks, warehouse management, operating or other services of a like character in connection with any carrier by water, or own any stock or bonds of any such carrier or person, or be pecuniarily interested directly or indirectly therein.

Mr. DARDEN. Will the gentleman yield?

Mr. BLAND. Yes.

Mr. DARDEN. Would he be ineligible at the time of his appointment or could he divest himself of those relations after appointment?

Mr. BLAND. He must not be in any of these businesses at the time he is appointed. If there is any other particular concerning which it is felt that he would be impaired in the performance of his duty, there is afforded protection in confirmation by the Senate before he can receive this position. He can be removed at any time.

In the limited time I have, I cannot go into the full details, but one of the first duties to rest on the maritime authority is the adjustment of these existing ocean mail contracts.

The President, by an Executive order, or rather by section 5 of the independent offices bill in 1933, was authorized to examine all of these ocean mail contracts, and after hearing, cancel or modify them, if he saw fit.

Hearings were to be held, and those hearings have been held. We have the benefit of the hearings before the Black committee and the benefit of the hearings before the Post Office Committee, consisting approximately of 34,000 pages.

The President's power expired on April 30, or was to expire on that date. At the request or suggestion of the President that power was extended to October 31. In this bill we have extended the power to June 30, 1936.

But remember this, in considering this extension we have not taken away one iota of the power given by law to the President of the United States.

We say to the President that from this good hour he has the right to cancel or modify any contract which may ex-

ist; or, if he desires, he may call upon the Maritime Authority for assistance in adjusting these contracts so that the Government will be protected from losses in large sums. The President indicated that it was his desire for the extension to October 31.

Mr. Chairman, this Maritime Authority must be composed of good men, of skilled men, and men of unusual ability. They are taken from five regions, the Atlantic coast, the Pacific coast, the Great Lakes, the Gulf States, and the interior. Three of them must be from the majority party and two from the minority party. These men have imposed upon them the duty of working out the construction differential, of working out the operating differential, and of working out the various policies of the administration of this subsidy act. We have provided a construction differential which is paid to the shipbuilder during the construction of the ship. We have provided an operating differential to take care of the difference in cost between the operation of the American ships and the operation of foreign ships. The evidence is indisputable that the cost of building in the United States is greater than the cost of building in foreign countries. If we are going to have a merchant marine, that feature must be taken care of. Those differentials, those subsidies, are vastly better than the subsidy provisions under existing law. Under existing law the ocean mail contract includes the construction subsidy over a period of years. The operating subsidy is carried over a period of years. The construction subsidy under this bill is determined at the time that the ship is built. It is determined by the maritime authority.

It is determined what that amount shall be, what is the principal differential between the principal nations where the foreign competitors are and it is then settled once and for all as to the particular ship to be built. If there is a change in that construction differential in a subsequent year, as we hope there will be, whereby the differential between American shipbuilding and foreign shipbuilding is reduced, the Government gets the benefit of it, and it is not a subsidy running over a long period of years. As to the operating subsidy, it is determined year by year. It is determined at the end of the year, and is based on specified items. There must be taken into consideration the extra cost of operating, and only 75 percent of the estimated differential can be paid before the end of the year, with security to protect from overpayment. At the end of the year the amount for that year is definitely fixed by the maritime authority. If any question arises as to an improper amount, the party claiming more must go into the Court of Claims. Therefore, year by year the operating differential is raised or lowered in accordance with the facts of that particular year. The provisions we have made for operating differentials and for the construction differential are guarded by formulas determining how those subsidies shall be ascertained, and they afford no opportunity for the abuses that have existed in the past. They give no opportunity for the payment of salaries to lobbyists and for similar expenditures.

The President in his messages called attention to abuses in respect to stevedores, affiliated companies, associated companies, holding companies, and similar organizations. We realize that at times such companies may be necessary, but we have provided that they shall not exist except with the consent of the maritime authority, and that none of these contractors may participate in holding companies or be affiliated with them except where in exceptional circumstances the authority may permit.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. JOHNSON of Texas. What about ocean mail contracts? Does the gentleman think this legislation will safeguard the Government better than in the past, with reference to the amount paid for carrying the mail?

Mr. BLAND. We have definitely provided in this bill that from this day, no ocean mail contracts can be entered into. While we have not definitely repealed that provision of the law, the only reason we have not done it is that we have felt there may be some provisions in the law that would be beneficial to the Government, so that it would probably be unwise to repeal the law. So far as granting ocean mail contracts is concerned, it is definitely provided in the bill that they shall not be granted hereafter. The only ocean mail provision is the requirement of preference to ocean ships such as exists in the law, and the mail shall be carried as before the ocean mail contracts.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. MASSINGALE. Can the gentleman give us an estimate of what it is going to cost the Government to initiate and set up this program, say, for the first 2 years?

Mr. BLAND. That would depend entirely upon the number of ships to be built. Let us say that the differential as to a million-dollar ship is about $400,000, as between American cost and foreign cost. The interdepartmental committee estimates in respect to the 282 ships now in operation that the operating differential is about $11,000,000.

Mr. MASSINGALE. Does the gentleman mean to say that it will take an appropriation of only $11,000,000 to inaugurate this program?

Mr. BLAND. No. It will depend upon the ships that we are to build and operate.

Mr. DONDERO. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. DONDERO. Will the maritime authority determine the number of ships to be built, which will result in the amount of expense to the Government of the United States?

Mr. BLAND. Yes; the maritime authority.

Mr. DONDERO. Under this bill?

Mr. BLAND. Yes. First, an application for a ship must be made by the applicant. He must set out his financial standing. The authority can control that. Then when they have worked out the differential and they want bids on a ship, they call for bids from responsible shipbuilders. We have provided that those bids shall be accompanied by estimates and necessary information for the maritime authority to determine if they are fair bids. We have provided penal provisions against collusion between shipyards, with a heavy penalty against anyone giving any information to anyone else with respect to his bid. We have provided that the shipbuilder and the ship operator must keep his books in the form and under rules and regulations provided by the maritime authority. The authority may go to the shipbuilding companies and examine their books at any time; they can compel the production of those books and statements. The balance sheets, whenever called for by the maritime authority, must be submitted. The maritime authority and the applicant may reject any or all bids. These are only some of the safeguards, and I submit that with the safeguards we have thrown around these contracts, there could not be any possibility of collusion, assuming we have an intelligent and competent authority.

Mrs. KAHN. Will the gentleman yield?

Mr. BLAND. I yield.

Mrs. KAHN. Will the gentleman kindly explain just what the status of the ocean mail contracts under this bill will be?

Mr. BLAND. The President has the power to cancel or modify them. If the President says, "I want to have these contracts considered by this maritime authority" and an effort is made to work out an adjustment between those contractors and the maritime authority, considering a settlement of the claims of the United States against the contractors and of the contractors against the United States, the maritime authority will undertake the adjustments, but the maritime authority can enter into no contract of settle-

ment without the consent of the President. It must report back to the President what it has done, and the President then determines whether the adjustment may be made and a new contract entered into.

Mrs. KAHN. How about new contracts? How will they be awarded?

Mr. BLAND. New contracts are to be awarded by the maritime authority upon the basis of an application filed with the maritime authority and in the order which I have indicated. The authority will work out also the operating differentials.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BLAND. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MEAD. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. MEAD. Will the gentleman explain what authority the Post Office Department will have? Will the Post Office Department be called into consideration in connection with the issuance of new ocean mail contracts?

Mr. BLAND. We have no new ocean mail contracts.

Mr. MEAD. In the future, in the event new ocean mail contracts are granted, will the Post Office Department be called upon to pass upon them?

Mr. BLAND. No; there will be no new contracts under the 1928 act. All the Post Office Department does is to send its mail in any ship.

Mr. MEAD. Ocean mail contracts are eliminated?

Mr. BLAND. Ocean mail contracts are eliminated in this way: There is no express provision here for their termination, but the President can cancel them today if he wants to. We go farther than that. We say to the ocean mail contractor, "If you cannot work out an agreement with the maritime authority satisfactory to them and to the President, you cannot apply for any new contract under the act without the consent of the President of the United States."

Mr. LEHLBACH. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. LEHLBACH. With respect to ocean mail transportation and contracts, up until 1928 mail contracts on a poundage or other basis were entered into between the ships and their owners and the Post Office Department, strictly on the basis of the value of services rendered. Under the act of 1928 mail contracts were instituted, and carried with them Government aid to the lines which secured those contracts. That has been wiped out by this bill with respect to mail carried and we are back just where we were before the act of 1928. We pay for the services that are rendered.

Mr. BLAND. Now, I do not want to consume much more time.

Mr. BROWN of Michigan. Will the gentleman yield for a question?

Mr. BLAND. I yield.

Mr. BROWN of Michigan. I am interested in the application of this bill to the Great Lakes. Does the term "coastwise shipping" apply to the waters of the Great Lakes?

Mr. BLAND. I do not know. I do not think so. I may be mistaken.

Mr. BROWN of Michigan. Will Great Lakes shipping be affected in any way?

Mr. BLAND. I do not think so.

Mr. BROWN of Michigan. Could any aid be given to Great Lakes shipbuilders or owners under this bill?

Mr. BLAND. I do not think the ship operators would be entitled to it under this bill. Some of the lake people said they did not want to come in; others did. We thought that was a matter that should receive further consideration.

Mr. THURSTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. THURSTON. In view of the fact that about one-third of the railroads are now in bankruptcy and it is predicted that another third will be in the same plight in a few months, does not this measure tend to take away freight and patronage from the railroads of the country?

Mr. BLAND. No. We are dealing with ocean-going shipping. The development of our merchant marine ought to help the railroads and certainly if we develop any further commerce.

Mr. THURSTON. Will some of these ships be diverted to the coastal trade?

Mr. BLAND. They cannot be diverted to the coastal trade except with the express consent of the maritime authority, in which event they must repay the construction subsidy and must lose their operating differential, and such ships can be operated only on a line where such vessel is needed.

Mr. THURSTON. The gentleman understands the coastal lines have a preference in differentials and get a much lower operating rate?

Mr. BLAND. Yes; that is true. We do not give any operating differential.

Mr. THURSTON. But those ships can be diverted to the coastal trade if the authority so determines?

Mr. BLAND. Yes; under special circumstances where a vessel is needed for a particular trade. In that event it gets no operating differential and its construction differential must be repaid to the Government in proportion to the time it is in coastwise trade.

A question has been asked as to what it is going to cost. I cannot answer definitely, for that will depend upon how many ships we build; but, Mr. Speaker, I want to call attention to a very startling situation graphically depicted by these charts. This chart shows the situation of the American merchant marine today. At the top are shown vessels of 2,000 gross tons and over normally engaged in carrying goods and passengers in international trade. The order here is Great Britain, Japan, and the United States. The United States is third in tonnage; but, Mr. Chairman, tonnage means nothing unless you are going to use the ships for storage warehouses, or it means little; tonnage is only one of the factors that must enter into the building up of a merchant marine.

Next we come to the gross tonnage of vessels of 12 knots and over. In this list the United States stands fourth, the list being headed by Great Britain, with Germany second and Japan third.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, I yield myself 5 additional minutes.

Then we come to gross tonnage of vessels of 10 years of age and under; what is the position of the United States? The nations follow in this order: Great Britain, Germany, Japan, Italy, the Netherlands, Norway, France, United States.

Mr. Chairman, we are facing the time when the American flag is going from the seas. These old ships must be retired soon. Twenty years is the useful life of a ship. If we are to continue in competition some of these old ships must be replaced. When old ships are replaced the operating differential is reduced considerably. When they are replaced it will be found that the operating differential in fuel alone will be considerably reduced.

What is the standing of the art of shipbuilding in the United States today? This chart shows shipbuilding as of March 31, 1935. The nations come in this order: Great Britain, Germany, France, Sweden, Japan, Denmark, Netherlands, Italy, and Spain. We find the United States at the bottom of the list, today, with only 18,473 tons of shipbuilding in the shipyards of this country, consisting of two tankers and a few vessels of about 400 or 500 tons each.

Do you want to preserve the American merchant marine, preserve it for national defense? It is departing from the seas and in a little while, with the age limit that is on it now, it will go. Our building must begin at an early date, or in 7 years we shall find nothing but old tonnage in the merchant marine.

There are other features of the bill to which I should like to call attention. One of the most important is the protection of life. [Applause.] We have raised the limitation of liability to $60 per gross ton of the ship. We used this as a minimum in the event of loss of life, and not the rule which prevailed in the case of the *Morro Castle* where the

limit of liability was the value of the hulk and the unearned freight money.

We have done something for the seamen in this bill. We are providing that there shall be a 3-day watch for the sailors, so that conditions cannot exist such as existed in the case of the *Morro Castle*, when the sailors were off duty, and some of them asleep. Had the 3-day watch been in operation and the sailors been on deck, had been properly distributed in watches with an adequate crew, the fire might have been discovered earlier, or at least earlier protection afforded.

We have tried to safeguard against abuses, we have tried to safeguard against evils. We do not claim this to be a perfect bill. Reports are required to be made to the Congress. Operations under the bill come under the scrutiny of the Appropriations Committee and are subject to the scrutiny of our committee. We think we have provided reasonable safeguards. I have not by any means touched all of the main provisions, but let me say that this bill will result in the building up of the American merchant marine and will afford an opportunity for the seamen in this country that has never been afforded them before. [Applause.]

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. CONNERY. Mr. Chairman, I want to say to the gentleman from Virginia that I am in entire sympathy with the idea of building up the merchant marine. If we had had a merchant marine during the war we would not have had to have paid England enormous sums for transporting our men to France.

I understand amendments will be offered to this bill to protect labor, for instance, in the matter of minimum wages, which is not mentioned in the bill at the present time, and to protect seamen as to the service book, as they call it, which is used as a blacklist.

Mr. BLAND. The blacklist clause is out. The service book for which we have provided is along the lines suggested by Mr. O'Brien. No reference is made to certifying character, and that is the thing they principally objected to. That is not in this bill.

Mr. CONNERY. Do they not use the service book as a blacklist by putting such things in there as attempts of the seamen to form unions, and so forth?

Mr. BLAND. No; not under the provisions in this bill. We have followed Mr. O'Brien's suggestion and have not provided for a service book that will require such information.

Mr. Chairman, I reserve the balance of my time.

[Here the gavel fell.]

Mr. WEARIN. Mr. Chairman, I yield myself 10 minutes.

Mr. LEHLBACH. Mr. Chairman, I yield of my time 30 minutes to the gentleman from Iowa [Mr. WEARIN] to be disposed of as he may see fit.

Mr. WEARIN. Mr. Chairman, I want to take this opportunity of saying to the members of the Committee on Merchant Marine and Fisheries, and especially to the distinguished Chairman and to the ranking Member on the Republican side, that I appreciate the fair treatment that has been received on the part of the opposition in the committee and on the floor of the House today. I want to state my position very clearly and very definitely in the beginning of this debate as being opposed to the pending legislation for reasons that will be set out in the course of the argument and the reading of the bill.

It will be recalled that last winter the President of the United States considered this subject to be of sufficient importance that he sent a special message to Congress to serve as a guide for the members of the Committee on Merchant Marine and Fisheries as well as the Members of the House. It is this message of the President that I expect to consider before I conclude my remarks today, because it represents the viewpoint of the executive department.

Before doing so I desire to call your attention to a situation that exists at the present time. We are at present administering subsidies under the 1928 act. It is under title IV of which we have been paying the said mail subsidies that have occasioned such terrific scandals in the Post Office Department during the past few years. They have occasioned a sweeping investigation on the part of the Postmaster General of the United States, resulting in a report to the President of the United States, under an Executive order, mind you, pointing out the evils and the bad effects of the 1928 act and suggesting certain corrective measures that should be adopted by the Congress during this session.

Let us pause and consider the situation as it exists under the present law. We are granting subsidies today about as follows: We are paying under the provisions of the ocean mail contracts. We are supplying loans at low rates of interest, and previously we have sold ships at excessively low prices to operators in order that they might assume the vast trade routes that were developed under Government ownership during the war period. Furthermore, they assumed them at an unusually advantageous stage in the particular game in which we are interested.

Before I go into these various reports of the Postmaster General, the President of the United States, and other interested parties in this legislation, I want to take up briefly the situation as it exists under the bill today that is being proposed by a majority of the Committee on Merchant Marine and Fisheries, and to which I have objected in the minority views signed by the gentleman from Maine [Mr. BREWSTER] and myself, which minority report appears on four pages and a little more in the report, which I trust the Members will read before they vote on this bill. I want to remind you that under this act, if it is passed, we will set up a system of paying operating subsidies to the shipowners of America, in the first place. In the second place, we will set up a system of construction subsidies to the shipbuilders of the United States. In the third place, we will set up additional construction costs incurred for the benefit of the Navy, to be paid by the Government.

Fourth, we will increase the percentage of construction costs in loans to the owner at most reasonable rates of interest. Fifth, we are going to purchase old vessels from the owners at cost less depreciation, to be sold for scrap, the Government taking the loss thereon; in other words, making a scrap or junk dealer out of Uncle Sam in the face of the fact that the recent ship-subsidy legislation enacted in England provided that for every 1 ton of new shipping built by the Government 2 tons should be scrapped at the expense of the owner, not the Government and not the taxpayer.

Mr. Chairman, this is only the beginning.

Sixth, provides for an operating subsidy to the intercoastal operators, some twenty in number. If you stop and consider the fact they are going to provide a subsidy to those lines that are operating in intercoastal service where they touch a foreign port, that in itself is a subsidy.

Seventh, they are going to establish operating and construction subsidies that may be paid to two or more operators engaged in exactly parallel services to compete with one another at the expense of the taxpayer. That is another subsidy that will be paid.

They are going to pay a construction differential to the Pacific-coast yards and here, may I say to my distinguished friends from the Pacific coast who fought an able battle for that provision, that it is perfectly permissible when considered in the light of the features of the pending bill. If we are going to pay a subsidy, that is all right; the Pacific coast should participate and the shipyards on the Pacific coast should have the benefit, if we are going to have a subsidy system of some kind.

Eighth, under section 522 (e) of this bill an equalizing operating subsidy is going to be paid in case the subsidies paid under no. 1 as I outlined in the beginning are insufficient.

Ninth, we have another provision in this bill whereby we are going to provide for unfair competition of foreign vessels under section 1109. That in effect is no more or no less than a trade penetration, or, as has been said by the distinguished gentleman from Maine, a Treasury-penetration subsidy. The specific provision that was originally placed in this bill providing for that trade-penetration sub-

sidy was stricken by an amendment which I introduced in the committee, but it has been written in again under section 1109 of the bill that I refer to at this time.

Mr. Chairman, there are a total of between 9 and 10 subsidies that are going to be paid under the existing bill, if adopted by the Congress of the United States, in spite of the fact that we have before us a graphic example of what has happened to the United States Government and to the taxpayers under a subsidy program for the purpose of building up an American merchant marine.

I select here the charts as presented by the distinguished Chairman of the Committee on Merchant Marine and Fisheries a few moments ago and ask the Members to observe them. They indicate that in spite of vast expenditures we do not have an adequate merchant marine today. Under the 1928 act we have spent, let us say, in round numbers $119,000,000 in mail subsidies, and we may very possibly pay out in the future $188,000,000 more plus if the terms of this law are carried out as provided for in the existing bill before the Congress.

I mean by this that existing mail contracts can be continued under the present bill to their termination. I understand that difference, and the people of this country should understand that under the terms so provided it might be possible to pay out $188,000,000 to get the kind of a merchant marine portrayed on these charts out of operators who evidently do not have the interests of the American people at heart, and who have come before us in many instances saying that this legislation is, and will be, of great benefit to ship operators in this country, and one of them was none other than the distinguished gentleman from New York, the Honorable Ira A. Campbell, who was the fair-haired boy before the House committee and the Senate committee in support of the type of legislation that is being proposed in the American Congress today.

Now, I say, Mr. Chairman, I am not necessarily opposed to a merchant marine. I am favorable to an American merchant marine, but I say if the American Government is going to pay the bill, the American Government ought to get some of the benefits out of it, and not be left continually holding the sack.

[Here the gavel fell.]

Mr. WEARIN. Mr. Chairman, I yield myself an additional 5 minutes.

Let us now take up this message of the President of the United States about which we have heard, and I want to remind you, as Members of the House, that the President has suggested some very fundamental things that he thinks should be included in this legislation, and as has been stated to you from the floor of this House, by the proponents of the bill are not in this proposed legislation, and at no time during the deliberations of the Committee on Merchant Marine and Fisheries on the bill that has been produced here, has anyone in the said committee dared to say that this is an administration bill, and it should be an administration bill when the President of the United States considers it of sufficient importance to send a special message to the Congress and outlines what should be done.

I say to you, in the first place, that the matter of construction loans, according to the President, should be terminated. These were his approximate words—that they should be terminated—and yet they are continued under this bill. The statement has been made that there are no losses or that no losses have been suffered under the Construction Loan Fund which has been in existence for some time.

This all depends on the way we look at it. In my opinion, when we have lent money to the American shipping interests for as little as one-eighth of 1 percent, this constitutes a loss to the American taxpayer on the Construction Loan Fund that ought to be considered. I know we have a minimum rate of interest in this bill, but I bring out this point to show you the altruistic attitude of the American operators who are supporting this legislation, and in fact are pressing for its enactment, the same crowd that handled the mail contracts.

Let us go a little further into the recommendations of the President. I want to remind you that he stated that in setting up provisions for subsidies for American shipping the Congress should provide for the termination of existing ocean-mail contracts. Termination of them, he said, not their continuation under the terms of this bill, possibly, with his permission, until they are at an end, costing the American taxpayers another $188,000,000 unless canceled by the President. No; not their continuation until the end, but that Congress should terminate the 1928 mail subsidies, and Postmaster General Farley concurred in this statement by sending to the Committee on Merchant Marine a letter asking for the repeal of title IV of the 1928 act. Title IV, mind you, provides for the mail subsidies, and yet they are continued.

I claim that this is a very decisive point wherein this legislation differs from the recommendations of the President, legislation based upon recommendations of the President formulated as a result of the investigations before the Postmaster General and before the distinguished Senate committee, headed by Senator BLACK. I would remind you, in connection with these very outstanding and decisive reports, that never at any time has our committee considered the matter of the Postmaster General's reports on the individual companies and the recommendations therein, except as the opposition to this bill advanced them and injected them into the RECORD. I would also remind you that the principal recommendations that have been considered have been those of the interdepartmental committee, and what about the interdepartmental committee? I will tell you about that.

Postmaster General Farley's reports on the individual companies were under Executive order from the President of the United States, and, furthermore, the report of the Black committee, which in many respects is exactly opposite to the recommendations and provisions of this bill, was a legislative committee set up by the United States Senate, and the interdepartmental committee was what? It was a committee appointed by the distinguished Secretary of Commerce, and the report of that interdepartmental committee was transmitted to the Congress by the President without recommendation, and yet this has been the guide post for the legislation that has been considered before our committee. I claim that the interdepartmental committee report is a good deal like a blind pig trying to find its way to the trough, in the face of the recommendations of the President of the United States, the reports of the Postmaster General, and also the distinguished Senate committee that has investigated and exposed the scandals with respect to the air and ocean mail contracts.

Mr. Chairman, I should like to go into the details of these reports, but it will be impossible for me to do so in general debate or until we get to the point where we begin the reading of the bill, at which time I shall take up some of these evils and some of these unfortunate conditions. I know that the present proponents of this bill have stated and will continue to state from the floor of this House that such evils as holding companies, such evils as subsidiaries, and such evils as we have examples of in the various reports that have been made to Congress have been eliminated, but they have been eliminated and then revived by a provision saying that the Authority may continue their existence and the handing out of subsidies to this particular type of business enterprise with the advice and consent of the authority. I say that according to the President of the United States and according to Postmaster General Farley they should be terminated, and this Congress should terminate them. [Applause.]

The pending bill does not properly safeguard the public interest and does not insure the development of an American merchant marine. It should therefore be defeated.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I desire to be notified when I have used 20 minutes. Mr. Chairman, if a person is absolutely opposed to Government aid for a merchant marine, there is no kind of a bill designed for the purpose, no matter how safeguarded and how circumscribed it may be, that will satisfy him.

A person opposed to Government aid of a merchant marine is opposed to a merchant marine, because every nation

that maintains a merchant marine, or has for centuries maintained one, has maintained one with government aid, and there has not been in modern history, from the time of Christopher Columbus, a merchant marine that was not maintained by government aid. It is just that kind of a proposition that is accepted by the world.

If we are to continue to have a merchant marine, we have got to extend to it Government aid, just as Great Britain extends it, just as France extends it, just as Germany extends it, just as Japan extends it, and just as Italy extends it, and every other nation that has any kind of a merchant marine or a commercial fleet sailing under its flag. [Applause.]

Now, we have tried to devise Government aid by the means of using mail contracts under which we extended that aid, which is a device that has been used by the foremost maritime nations.

We have determined at the present time that that form of aid shall be withdrawn, and there is no use of discussing what happened as a result of legislation for that form of aid, because it is water that will shortly have gone under the bridge.

We provide in this bill that no mail contracts under the act of 1928 shall be entered into or an existing mail contract renewed. We have heretofore passed legislation that the President may have complete control over the mail contracts and may cancel them or modify them or do anything he sees fit to do with them.

This bill, notwithstanding the statement of the gentleman from Iowa [Mr. WEARIN] that the mail contracts are continued as they have been in the past, puts them completely under and entirely up to the President. We renew in specific language the power the President now has over these contracts. We provide that in the event the President desires to modify or substitute, under the provisions of this bill, a different contract for the mail contract, or deal with them in any way he wants, or treat the mail contracts as basis for future negotiations, he may refer the question to the Maritime Authority created in the bill, which shall examine into all the circumstances and facts having any bearing on the situation, and then shall report back to the President, and the President thereupon makes his determination with respect to that mail contract exactly as he may do under the legislation passed by this House at his request.

The gentleman says that we may be subsidizing two or three parallel lines, operating in competition with each other. That is absolutely impossible under the provisions of the bill because in the first place no Government aid may be paid for the operation of a line if services which that line intends to render are already adequately handled; so, consequently, there cannot be two lines in one service getting Government aid. Another suggestion he makes is that there is nothing in here for the protection of seamen. Of course, there is not. We guarantee three watches, we give adequate compensation for the loss of seamen's lives as well as passengers, and also for bodily injury by raising the limitation of the liability of the shipowner, and that means crew as well as passengers.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. KENNEY. As I read the bill, there is no provision in it about fixing the rates of pay of the men who build the ships, in any way.

Mr. LEHLBACH. Of course, there is no fixing of wages in the bill, and as I understand the position of labor, the last thing they want to do is to have wages fixed by legislation.

Mr. KENNEY. They want the prevailing rate of wage, do they not?

Mr. LEHLBACH. We provide that the Government pay to the ship operator in a service which is necessary to maintain for our prestige on the sea and for the service of commerce, the difference between the wages in this country and the wages paid abroad. How on earth can an American profit by cutting down the wages of his employees on the sea?

Mr. KENNEY. Does not the gentleman think the contracts for the building of ships which the Government subsidizes in the future should contain a provision that the men who build the ships shall receive the prevailing rates of wages?

Mr. LEHLBACH. Those ships will be affected with a Government interest, and I believe that the same provision that now prevails in connection with Government construction will prevail here, namely, that wherever construction is carried on, the prevailing rate of wages will be paid to labor. That is the law today.

Mr. KENNEY. The gentleman is familiar with the contracts awarded by the Navy Department to the New York Shipbuilding Co. at the Camden yard, and I suppose the gentleman knows that no provision is made in those contracts for the prevailing wages; also, that the gentleman knows there has been a strike there which started on May 13 and still persists.

Mr. LEHLBACH. I do not want to discuss the Camden strike with the gentleman.

Mr. KENNEY. Nor do I; but I want to point this out: That this Congress raised that money through the public-works money which we appropriated, to put men to work, and evidently in that case it did not carry out its purpose, because that strike has lasted for over a month.

Mr. LEHLBACH. If the gentleman wants to discuss that strike, I shall be glad to discuss it with him at some appropriate time, but not now in the consideration of this ship-subsidy bill.

Mr. KENNEY. My point is that in these contracts that are made, where the Government is putting money into contracts to build our merchant marine, we ought to take care of situations like that.

Mr. LEHLBACH. As a matter of fact, the wages paid in the Camden shipyards were the wages provided in the agreement made between the employees and the employers a year ago.

Mr. KENNEY. I understand they are not.

Mr. LEHLBACH. I cannot help what the gentleman understands, and I do not yield further on that subject. I am sorry, but my time is extremely limited. I am sorry I cannot go on. I do not want to be brusque with my friend, but I trust we will have an opportunity to discuss that fully sometime at his convenience.

Mr. Chairman, with respect to the construction differential, and with respect to the fact that it may be manipulated, of course, I assume that the President is not going to appoint seven crooks on the Maritime Authority. You have read the newspapers about the *Normandie*. We propose in this bill to pay the difference of what it will cost in America to build a ship and what it would cost an American to build the ship in a foreign yard. What did the French do with respect to the *Normandie?* They loaned the money to build the *Normandie*, and then they granted 150,000,000 francs annually, or about $10,000,000, at current rates of exchange for its operation. There is now pending and on its way to passage in the Chamber of Deputies in France a bill providing that the Government shall pay amortization as to principal and interest on the *Normandie*. In other words, the money that France in the first instance loaned to the French Line for the construction of the *Normandie* is to be paid by the French treasury and $10,000,000 is appropriated to operate that ship annually. So you have here the proposition of our competitor giving the *Normandie* to the company for nothing and paying the cost of its operation, and yet when we are to pay only the difference, due to our standard of living with respect to both the construction of the ship and the operation of the ship, and to pay her operators the difference between foreign cost and American cost, we are met with charges that we are trying to loot the Treasury, that we are trying to engage in all kinds of extravagances, fraud, and corruption.

There has not been a nation that has amounted to anything in this world in the last 400 years that did not carry on foreign commerce. Without foreign commerce a nation

dies. Foreign commerce cannot be carried on without a merchant marine. That has been demonstrated by history. That is an axiom. Who opens the new markets for the products of a nation? The men who go down to the sea in ships open these markets, because they want to carry the goods. That is their business. As scouts for markets for our agricultural, our mineral, and our manufactured products, the merchant marine is necessary. It has been demonstrated by history that nowhere in the world can they operate without government aid. We would be foolish and unpatriotic and deserve to sink as a first-class nation if we did not do the common-sense thing provided for in this bill.

Mr. FORD of California. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. FORD of California. Is it not true that every maritime nation on the globe is subsidizing its ships at the present time?

Mr. LEHLBACH. Absolutely. It is also true that from the time the King and Queen of Spain subsidized Columbus, there has not been a first-class mercantile operation carried on anywhere without a subsidy. It is in the very nature of the enterprise. It is a quasi-public enterprise that must be carried on by private individuals, with the support and assistance of the Government.

Mr. BLAND. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BLAND. If the gentleman from California [Mr. FORD] will refer to page 13 and the next three succeeding pages of the report, it gives the high lights of the subsidies, and they have been checked.

Mr. LEHLBACH. Yes. Present legislation by Great Britain grants a subsidy of £2,000,000 for the operation of tramp ships; a £10,000,000 loan for the replacement of all-cargo ships; £3,000,000 for the completion of the *Queen Mary;* £1,500,000 for working capital for the Cunard Co. and the merged companies. The White Star and the Cunard have merged, under Government supervision, with Government financing. Also £5,000,000 with which to complete a sister ship to the *Queen Mary*. In that way the *Lusitania* and *Mauretania,* by the Cunard Line, were built. The Government put up 100 percent of the cost of construction and amortized that loan over a period of 20 years, and then paid to the Cunard Line subsidies sufficient that they could take the subsidies from the Government and pay the Government for the loans with which they constructed the *Mauretania* and the *Lusitania*. In other words, the Government made a present to the Cunard Line of both the *Lusitania* and the *Mauretania,* and in effect they are doing so with the *Queen Mary* and with the proposed sister ship of the *Queen Mary*. We have not proposed anything of that sort.

Mr. BIERMANN. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BIERMANN. Did this country pay a subsidy before 1860?

Mr. LEHLBACH. I am not informed as to that.

Mr. BIERMANN. Is it a fact that this country had the second largest merchant marine afloat before 1860?

Mr. LEHLBACH. Yes; and in those days a man owned his ship and sailed it, and his neighbors in Gloucester, his neighbors in Weymouth and his neighbors in Norfolk or in Egg Harbor or Atlantic were his crew. Shipyards were in various places along the coast, and there was no substantial differential in cost, because there was not that difference in the cost of employed labor then between the United States and its foreign competitors as there is now. There was not such a difference in the standard of living, and we are only asking the Government to make up the difference now.

Mr. MANSFIELD. And in those days the ships were built of wood.

Mr. LEHLBACH. Yes.

Mr. BIERMANN. The gentleman states that a large merchant marine and a large foreign trade go together. The gentleman does not want to state that a large merchant marine creates a large foreign trade?

Mr. LEHLBACH. It helps build it up.

Mr. BIERMANN. The gentleman does not mean to say that if we had the largest merchant marine afloat it would break down these tariff barriers and give us more commerce?

Mr. LEHLBACH. It would have a great tendency so to do, because the ships are the scouts that open the markets.

Mr. BIERMANN. The people of northeastern Iowa want to sell pork to Germany. Germany has put a prohibitive tariff on our pork. The gentleman does not mean to say that if we had a tremendous merchant marine we could sell our pork in Germany, in spite of the tariff?

Mr. LEHLBACH. No. If the gentleman has something that Germany will not buy, he cannot sell it to Germany, but unfortunately for the gentleman and fortunately for the rest of the country, the same circumstances do not obtain with every other commodity that is produced here.

Mr. BLAND. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BLAND. As the gentleman from Texas [Mr. MANSFIELD] said, we had the wood and the naval stores, and we could build wooden ships cheaper than any other nation, before the Civil War.

Mr. LEHLBACH. Yes. In the building of the modern ship, 80 percent and more is labor. It is not only labor employed in the shipyard, but when they get the steel plates to make the hull of the ship they come from steel works; the iron that is processed into steel comes from mines; all the different materials that go into a ship reach back into the far reaches of our country; and it has been said that in the building of a ship, material and labor is procured from practically every State in the Union. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. WEARIN. Mr. Chairman, I yield 30 minutes to the gentleman from Maine [Mr. MORAN].

Mr. MORAN. Mr. Chairman, in his message to Congress on March 4, 1935, the President of the United States presented to Congress the question as to whether or not the United States should have an adequate merchant marine. He answered that question in the affirmative. In a vigorous message he enunciated as an integral part of the administration's national policy that the abuses, waste, and subterfuge which had accompanied the previous pouring out of vast sums of public moneys, with no substantial result except the enrichment of a few privileged insiders, should cease. He demanded that the American people should be given the opportunity to have and to use American ships. He called for legislation which provided not only for adequate appropriations to that end but also safeguards for their expenditure and, consequently, for a complete reorganization of the machinery for the administration of these public moneys.

It is my contention that the high and desirable purpose of the President is not fulfilled by the Bland bill; that, on the contrary, this bill not only perpetuates the flagrant abuses of the past but intensifies, magnifies, and aggravates them. There is no new deal in shipping if this bill passes. Instead it is the same old racket, played with jokers and aces up the sleeves of those who have received millions and given to the American people next to nothing in return.

No one contends that the Bland bill is an administration bill. The chairman of the committee specifically admitted that it is not an administration bill, as will be noted on page 885 of the hearings.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield.

Mr. BLAND. During the hearing that was true. They were considering the original bill; but the perfected bill, which is materially different from the original bill, has received the approval of the Secretary of Commerce.

Mr. MORAN. I understand the letter of the Secretary of Commerce and I am going to refer to that later. I do not consider the letter of the Secretary of Commerce pointing out specific reasons why this bill does not abide by the President's desires as administration support.

Assuming that the Congress desires to make provision for a merchant marine, there are three possible methods: (1) Government ownership and operation, the first choice of the Black Senate Investigating Committee; (2) Government ownership and private operation, the alternative recommendation of the Black Senate investigating committee; and (3) subsidized private ownership and subsidized private operation, which is the fundamental principle of the Bland bill.

Let us examine the Bland bill. Members who have copies of the bill can follow this discussion, as the various parts of the bill will be considered in order.

TITLE 1

Title 1 contains the declaration of policy. It provides for private ownership and operation. As shown on page 3 of the Black committee report, the merchant marine we now have cannot fairly be described as "privately owned." When all mail contractors, except the industrial United Fruit Co., are considered it is found that the Government has "invested" by loans and ship-sale mortgages on contractor's vessels 1.39 times the stockholders' interest in their companies, not counting at all $120,000,000 paid by the Government as mail subsidies. Every conceivable form of subsidy has been advanced to private shipping interests—sale of Government vessels at gift prices, sometimes as low as 2 cents on the dollar; big loans at low interest, as low as one-eighth of 1 percent; and ridiculously extravagant mail contracts. These subsidies have been granted on the theory that they were needed to build up an adequate merchant marine to serve our foreign trade in peace time and as a potential naval auxiliary in war time. But the subsidies have not been used for that purpose. They have been drained off into the pockets of promoters—men who have been much more interested in high finance than in the high seas.

What has been the result of this policy? Read the majority report of the committee, which admits utter failure. The combined free resources of all presently subsidized companies is insufficient to build even one ship of the *Manhattan* type. As the Black committee report (p. 37) states:

> Those who are in theory to become the private owners calculate substantially as follows: 2 and 2 are 4; the Government should give us 2, and, inasmuch as we do not have the other 2, the Government should loan us that 2 also.

The Bland bill proposes to continue that system and make the Government contributions even more liberal, and, in face of those facts, states the object to be obtained is "private ownership and operation."

TITLE 2

Section 201 (b), page 4: This section qualifies a man for appointment to the United States maritime authority, if he has no present interest in ships or shipping, and forbids him to have such interest in the future so long as he is a member of the board. But it does not concern itself, as it should, with the past. This section does not prevent a man's resigning from the pay roll of a steamship company or shipyard on one day and assuming duties with the authority the next day. The Black committee significantly recommended that such interests within the 3 years immediately preceding an appointment should disqualify. If this authority gets loaded up with the wrong men, the Teapot Dome scandal will be a Sunday-school picnic compared to this proposition, with the authorities made available under this bill.

TITLE 3

Section 302 (b), page 12: This section provides discretionary cancelation of mail contracts. In his message the President said:

> Congress should provide for the termination of existing mail contracts as rapidly as possible.

You notice he said "Congress." That is what Congress should do. This bill does not do it; and, therefore, is in conflict with the message of the President.

Under section 303 (a) of this title 3 (p. 12), private negotiations are contemplated, as evidenced by the wording of previous prints of the bill significantly omitted. Private negotiation opens the door to fraud.

Section 402 (a), page 15: Under this section Uncle Sam becomes a junk dealer. Evidently it is contended that it is all wrong for the United States to own modern ships, but it is perfectly all right for the United States to buy "obsolete" ships and then junk them. Note the permission in line 1 on page 16 to apply an obsolete ship as a "trade in" on a new ship.

Section 501 (a), page 16: Under this title there is nothing to prevent the payment of subsidies to industrial giants that transport their own products in their own ships. It is certainly impossible to justify the disbursement of taxpayers' money to aid a huge oil, steel, or any other industrial corporation in the transportation of its own products in its own vessels. Let no Member think that is merely a theoretical possibility; on the contrary, exactly that thing is being done right now under existing legislation.

Under this section it will be noted that there is nothing to prevent subsidizing more than one line on the same route. Certainly no valid purpose can be served by subsidizing lines which compete with each other.

Section 502 (a), page 19: In this section construction loans are granted. In his message the President said that Congress "should terminate the practice of lending Government money for shipbuilding." The President has stated his views in the clearest of language. This bill conflicts with the President's view in this all-important respect. It becomes increasingly clear why the administration has not placed its stamp of approval on the Bland bill.

Section 502 (b), page 19: Under this section a construction-differential subsidy is provided to be paid, being the difference between American and foreign cost. The ascertainment of this difference is an impossibility; the Black committee report states:

> In the judgment of your committee, it is impossible to prescribe the exact formula for the computation of foreign construction costs. This conclusion is borne out by the testimony of Alfred H. Haag, Chief of the Division of Shipping Research of the United States Shipping Board Bureau, Department of Commerce, before the Committee on Merchant Marine and Fisheries of the House of Representatives on May 6, 1935, when he stated that he knew of no method by which this cost should be determined.

Material costs, overhead, distribution of overhead to individual ships are all impossible to ascertain; this plan assumes the possibility of a United States Government agency examining the books of foreign shipbuilding lines in a foreign country. (The experience of the Tariff Commission shows the futility of such an effort.) Yet this is the basis upon which this construction subsidy is to be computed.

Section 502 (c), page 20: Let me translate this section by presenting an example, as follows:

Assume that it costs to build a certain American cargo ship	$1,000,000
If differentials are as alleged (see p. 13 of report on Bland bill), foreign cost would be	600,000
Determining that the construction subsidy to be paid in cash to shipbuilder is	400,000
Government loan offered in addition (75 percent of foreign construction cost of $600,000)	450,000
Total grant and loan by Government (85 percent of American cost)	850,000
Applicant pays only 25 percent of foreign (15 percent of American cost)	150,000
Which may be met by a trade-in of an obsolete ship for which the Government will get next to nothing, and thus for little and perhaps no cash outlay whatever, gets a ship costing	1,000,000

Under present legislation an applicant's initial cash outlay would be $250,000 of the cost, but under this bill he would stand only $150,000 of the initial cost of a million-dollar vessel, and under the trade-in there could be no cash outlay. This is certainly a strange answer to the President's recommendation that "Congress should terminate the practice of lending money for shipbuilding."

With the Government putting up at least 85 percent of the money, and perhaps the full 100 percent, you see in full bloom that type of spurious Americanism and individualism and private initiative which enable these ship operators to let the taxpayer buy their ships and pay most of the cost of

operating them while they wave the flag, pocket the profits, and argue that Government ownership is bolshevistic and un-American.

Section 505 (b), page 23: Under this section it is permissible to pay a construction subsidy for ships used in the coastwise trade, which have no foreign competition whatever; yet the argument for the subsidy is foreign competition. No foreign ship is allowed to engage in American coastwise trade, so no construction subsidy should be allowed. Let these high-powered individualists who prate about the glories of private ownership stand in line over at the R. F. C. and get their money on a business basis, and take their hand out of Uncle Sam's pocket.

Section 522, page 27: Here is a juicy plum. First, these ship operators who consider Government ownership bolshevistic are provided with 20-year operating subsidies. I realize the section is worded "not exceeding 20 years", but in Government administration maximums become the regular order. This section provides, as in the construction subsidy, that the differential shall be determined by the difference in American and foreign costs, a determination previously proved unascertainable.

But notice paragraph (e). If it is determined that the subsidy is inadequate, it can be increased. But if it is determined, under experience, to be more than adequate, can it be reduced? Oh, no. The only adjustment permitted is upward.

And notice paragraph (c). The operator can cancel the arrangement by 60 days' notice if he does not find it profitable. It does not seem possible that such a contingency should arise. Now, what about the Government? Under section 524 the Government can cancel only for "repeated and intentional" violation. The chance to prove "intent" is well known to every attorney. Under section 524 even the fines provided for violations of contract can be remitted; anyone who knows the record of the Bureau of Navigation and Steamship Inspection knows what that means.

No ship operator could have written a more one-sided agreement all in his favor than sections 522 and 524 of this bill.

Section 527: Section 527 starts out bravely to meet the scandals caused by connected holding companies, affiliates, and subsidiaries, as pointed out in detail by the Black committee report, and then concludes by making their use by contractors as discretionary with the authority. If Congress refuses to demand this reform, you may be sure the authority will not. Women and children first has always been a rule of the sea, but this is the first time that the able and astute gentlemen who have been so successful in milking the Treasury have managed to apply this wisdom to the financial aspects of shipping by having their wives and children as the dummy stockholders in these profit-absorbing subsidiaries.

Section 534 (a) (2): This paragraph is ingenious. On the face of it, it limits salaries to $25,000. If it accomplished that purpose, the natural question would be, Why should men receiving this dole and bounty from the taxpayers be allowed to receive such salaries? But it does not accomplish what it purports. All a contractor needs to do is to accept no salary on the books of the contracting company and then he is perfectly free to continue the present practice of receiving a tremendous salary from affiliates or holding companies, who may draw their revenues from the contracting companies and thus from the taxpayer.

Section 534 (b): Under this section the authority has discretionary power to permit an operator to use foreign-flag ships. The expenditure of the American taxpayers' money to aid in operating foreign ships certainly will not build an American merchant marine. Foreign-flag ships also mean low wages and depress wages on American ships; that is why foreign ships are used.

Section 537 (p. 39): Under this section American insurance should be required. When foreign insurance is bought the plans of our ships, including naval arrangements, such as gun-turret emplacements, become known to foreign nations, as the plan of the ship is given to foreign insurance companies. To prevent exorbitant charges by American companies, the present Government fund should be made increasingly available.

Section 602 (p. 40): All through the bill you will find references, as in this case, to the allocation of some authority to the Secretary of Commerce. The scattering of these powers to the four winds should not be permitted, as it permits high-priced lobbyists and "fixers" to play one Government agency against another, to the disadvantage of the public. Oh, yes; there are real high-priced lobbyists in this game; on page 898 of the hearings you will see where one Washington group of companies paid to lobbyists and attorneys $754,158.20 for the years 1928 to 1933. This is no mean, common, ordinary crowd that we are trying to hold away from the Treasury of the United States. These people admitted—in fact, bragged of the fact—that they spent $150,000 to get the 1928 Merchant Marine Act through Congress, as will be noted on page 683 and 684 of the hearings.

TITLE VII

Section 701, page 43: This section vests regulatory functions in the same agency that will determine subsidy payments. This is not only economically and administratively unsound, but violates the President's recommendation in his message, from which I quote:

> The quasi-judicial and quasi-legislative duties of the present Shipping Board Bureau of the Department of Commerce should be transferred for the present to the Interstate Commerce Commission.

Here is another important conflict with the recommendations of the President.

Section 703 (a), page 45: This section creates another new agency, which is absolutely unnecessary; it handles matters which could easily be taken care of by an aggressive authority personnel. This proposes one more of those joke interdepartmental committees, on which subordinates serve, and which produce no result except the expenditure of the taxpayers' money.

Section 801, page 46: The bill devotes nearly three pages to the welfare of the American seaman, and with what result? Although the main excuse for an operating subsidy is the so-called "American standards", necessity of higher wages and better living conditions, and so forth, there is no provision in this bill for adequate wages. There is no minimum wage provided. The Farley reports are filled with illustrations, during the last few years, of wages cut, and men thrown out of work on account of lack of manning scales; these two schemes are estimated to have taken away from labor over $2,000,000 a year during the last 4 years. Well, what does labor get out of this bill? Nothing but a service book, which labor representatives tell us is a blacklist. Certainly no one interested in labor could ever vote for the archaic Dark Age theories contained in this bill.

Section 1102, page 62: If you do not read anything else in this bill, read section 1102. Here is a subsidy of no limits, and the cost is unknown. Here is our old friend the trade-penetration-subsidy idea; it should be called "Treasury penetration." In this section there is no provision for operating ships now owned by the United States—remember the Government now owns 288 ships and operates 40 of them on four trade routes to England, France, South America, India, Australia, and China—because they were not "taken over by the United States" as required by this bill.

Section 1103, page 63: This section provides the transfer of appropriations to continue the present mail contracts, all but one of which were obtained without competitive bidding in direct violation of law, in spite of the President's statement that these contracts should be terminated.

Section 702, page 65: Just read paragraph (b) and see what nice difficulties Uncle Sam will have taking over these ships that he does, but does not own, in event of war; this paragraph requirement of "fair actual value" without standards of determination, is productive of controversy and favoritism. Certainly there should be a maximum figure in the contract. Certainly the purchase price from the Government should be that maximum.

Section 1106, page 67: This section legalizes deferred rebates—a distinct detriment to, and discrimination against,

the small shippers. Again the little fellow is squeezed to death.

Section 1109, page 68: I plead with every Member to read this section 1109; let me quote it:

> The authority shall have full power and authority to use any funds not specifically designated for other purposes to give in such manner as it deems desirable aid and support to the holder of any contract under this act, in meeting any unfair competition or practice by any foreign vessel or vessels.

Think that through! First, we are building the ship and advancing 85 percent of the cost, and allowing a trade-in of some old tub by the operator. Second, we arrange to pay the operator the difference between foreign and domestic operating costs. Third, the gift available under section 1102. And last, as if all that is not enough, an additional subsidy without limit or restrictions, and no guard against favoritism. Translated, this section invites every ship operator to drive a truck up to the Treasury and load it full of the American taxpayers' money and come back for more as often as he likes.

CONCLUSION

In conclusion, it is my sober and considered opinion that the Bland bill could not have been more beneficial to the private operators than if they had written the bill themselves. When lobbyists like Ira Campbell are permitted to make suggestions as to what is to go in the bill, it is no wonder that we have such a bill before us.

For the sake of the American people, whose interest is entrusted in our hands, let us vote down this bill, and thereby serve notice upon this ship-operator crowd that they cannot influence the American Congress to rob the American people. [Applause.]

Mr. LEHLBACH. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the Congress of the United States recently appropriated one-half billion dollars with which to bring our Navy up to treaty strength and to replace obsolete and antiquated vessels with up-to-date and more speedy vessels. This was done, not because we are a warlike Nation, but because with so many thousands of miles of coastline an adequate Navy to meet any emergency is necessary for its protection and for the security of the Nation as a whole.

In time of war or other emergency, however, our Navy can only be as effective as our merchant marine will permit it to be. Our merchant marine is auxiliary to the Navy, but it is essentially a part of the Navy in time of national emergency. The merchant marine must be sufficient at all times to meet any demands which may be placed upon it by the Navy. Its vessels must be sufficient in number, sufficient in speed, and sufficient in operating personnel. The truth of the matter is that under present circumstances, with the present average speed limit of the vessels of the American merchant marine, it could not efficiently serve our Navy. The merchant marine is simply a link in our chain of national defense, and that defense can only be as strong as its weakest link.

For almost a century we have been notoriously weak in the proper care of our merchant marine. When Theodore Roosevelt sent the American Fleet around the world in 1907, our merchant marine was so inadequate that it was necessary to employ Scandinavian vessels to assist in that enterprise. When we entered the World War we had to hire and pay whatever price was asked for the ships of our allies to transport American goods and troops. Goods and merchandise of American production were piled high on every wharf and dock in the country. Out of that expensive experience grew a realization that something must be done to aid the American merchant marine. The result of this was an indirect subsidy under the guise of mail contracts. This has been unsatisfactory and has led to much justified criticism.

On the other hand, every major maritime nation on the face of the earth subsidizes its merchant marine because of its necessity as an important part of national defense. The time has now come when we must do likewise. We have utterly failed under the old method to keep our merchant marine modernized. We have failed to replace outworn vessels. Of our entire merchant marine, the United States has only built 11 percent since January 1, 1924, while Great Britain has built 42 percent; Germany, 38 percent; France, 25 percent; Italy, 28 percent; and Japan, 21 percent. With 89 percent of our merchant marine composed of ships over 11 years old, economy in their operation and fair competition with the ships of other nations is almost futile. Likewise, they cannot hope to adequately serve our Navy in time of national emergency.

If the United States is ever attacked by a foreign foe it will be at some point along its thousands of miles of coastline. It is therefore essential that three things be borne in mind as necessary to our national defense. They are, first, an adequate Navy; second, an adequate merchant marine; and third, adequate shipyards distributed throughout our entire coastline capable of caring for any need.

Within recent weeks, charges have been made in some quarters to the effect that this bill has been written by representatives of the shipping interests or others having a personal gain motive. I have attended every hearing and every meeting of the Committee on Merchant Marine and Fisheries in its deliberations and state unequivocally that nothing could be further from the truth. This bill is the result of careful study after long and exhaustive hearings extending over more than 7 weeks and during which time representatives of the shipping interests and shipbuilders, as well as of labor and independent organizations interested in the protection of life at sea, appeared before your committee to furnish information.

This legislation is not simply a subsidy bill. It has other features of paramount importance to the American people and American seamen. Title X of the bill deals with the limitation of shipowner's liability. It completely revises the law on this subject as it relates to both passengers and crew and gives them greater security.

The *Morro Castle* was a 10,000-ton ship. When it was destroyed its owners received some four and one-half million dollars. There were 167 lives lost and it is reported that 100 more were permanently injured. Under present law the total liability of the steamship company to not only the 100 injured but to the heirs of the 167 lost amounts to only $20,000. Under this proposed legislation their liability would have been $600,000. A shipowner will naturally take greater precautions to prevent such calamities if his liability is greater.

Likewise, this bill will provide much-needed legislation in behalf of American seamen. At the request of the president of the International Seamen's Union I introduced H. R. 7290. Many of its provisions have been incorporated into this merchant-marine bill. For example, section 11 of H. R. 7290 seeks to amend section 4351 of the Revised Statutes, dealing with seamen's discharge certificates. Section 803 of the merchant-marine bill now being considered, includes a much more effective provision covering the subject than does my bill, H. R. 7290.

The suggestion has been made that vessels and routes in our foreign trade be taken over under Federal ownership. It would be inconsistent to put any branch of our merchant marine under Federal ownership unless we take over all of it. Vessels entering into coastwise and intercoastal commerce are interchangeable with those entering into foreign commerce. If vessels entering into foreign commerce are to be placed under Federal ownership then we should also place our coastwise and intercoastal vessels under Federal ownership.

Further than that, Mr. Chairman, if our merchant marine is to be placed under Federal ownership and operation, so should our rail and other common carriers engaged in interstate or foreign commerce. My own disposition is to generally favor public ownership and operation of public utilities, but I cannot support any proposal which will provide for only taking over a part of our transportation system and not take it over in its entirety. [Applause.]

Mr. LEHLBACH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, the distinguished gentleman from Iowa made a very able and scholarly analysis of the pending bill. I fear, however, that his discussion of the bill was based very largely upon what has occurred in the past and what was disclosed by the Black committee, and, incidentally, by the very careful investigation that was made under the auspices of the Postmaster General, into the operation of subsidies.

There is absolutely no question but that the operation of the subsidy principle in America has been very unfortunate, and that those who were the beneficiaries of it were definitely untrue to America and untrue to anything except their own pockets. I have spoken here on the floor before in favor of what I call a vigorous nationalism—a nationalism which takes into account first the needs of America. It is my belief that with a gross expenditure of $800,000,000 for shipping, America should have her place today on the sea, but America has not got it because those who were the beneficiaries of these subsidies definitely violated the pledge they made to the Government when they accepted these benefits.

In this connection, I want to say that I have great faith in the integrity of this committee. I am a member of the committee. During the period of the hearings on this measure, unfortunately, I was ill and unable to attend and become familiar with some of the problems presented by this bill.

It is my hope that the corrupt acts so feelingly referred to by the eloquent and able gentleman from Maine will never occur again. If they do, in my judgment, someone should be shot summarily at dawn.

This bill is a workable bill. The principle of subsidy, of course, is a part of the statute law of every nation today, and no flag can fly on the seas unless there is a heavy subsidy. The case of the *Normandie* was referred to today, the new ship which recently docked in New York on her maiden voyage from France; and another illustration was given by reference to the *Queen Mary*, built by the Cunard Line on the Clyde.

This bill makes definite provision for the creation of a maritime authority and gives it complete jurisdiction over this whole question. The future of the American flag on the seas, the future of the American merchant marine both as to ships and personnel, depend on the integrity and character of this authority. The gentleman from Maine is right when he says that this bill is susceptible of as grave abuses as were present at Teapot Dome. Its administration depends entirely upon the Americanism and the integrity, technical and civic, of the men appointed by the President to this authority. If they are not under the control of the Shipbuilding Trust, which I condemn just as vigorously as does the gentleman from Maine and the gentleman from Iowa, if they are true to their trust and are selected for character and ability to carry out the spirit of this bill, then, indeed, will the American flag have its place on the seas.

One thing I regret is that the bill does not stress fully enough the question of personnel. Ships without American crews do not fill the bill. One of the functions of ships built by subsidies is to develop an American personnel. The beneficiaries of these subsidies have been untrue to America in this respect. Under proper encouragement I can visualize high-school boys from the inland States coming to the seacoast to work on these ships, high-school graduates, who can work up to the officer grade. This is the type of merchant marine personnel we wish to develop. I do not mean to question the character of the young men who live along the coast; my purpose is to emphasize the thought that American youth should be recruited into the merchant marine.

So, while acknowledging the evils of the past and the viciousness of past raids on the Treasury which are without parallel, I say that with this bill creating, as it does, this authority, giving the President the power to appoint the members of this authority, with the advice and consent of the Senate, is a step in advance. If this power is exercised with care, and if the money changers, the corrupt shipbuilding group, the four floors of vice presidents which are in some of these merchant marine organizations, will cease to exist, and we shall have an American merchant marine built on merit. All this is in the lap of the President; and I may say in this connection that I do not believe there is any man in America who loves the sea or knows the sea better than the President himself.

I have no sympathy with those who criticize him for going on the sea, even under the palatial auspices of the *Nourmahal* because it gives him health, it gives him vigor, and he loves it. He has it in his blood. He wishes to see the American merchant marine developed. He will sign this bill if you send it to him.

Mr. Chairman, I say that this bill, assuming that the personnel is selected with care, and assuming they are spiritualized in the interest of America and removed from the influences of these corrupt groups, is a step in advance and insures a merchant marine which will place the American flag on the seven seas. In this connection I wish to stress anew the necessity for personnel, which is just as important as ships themselves. The question of personnel has been largely ignored in the past. The sailors on the sea are just as important and just as necessary to the supremacy and standing of America as are the ships themselves. I stress this phase with all the power I have at my disposal.

There are, of course, in America men who know every phase of this question. There are in America men who know the technical side of it. There are men in America who have the ability, the knowledge and the integrity to give adequate service to the Nation. Such appointments will correct the conditions existing in the past where officials in the steamboat and related inspection services have been more or less under the influence of some phases of the corrupt Shipbuilding Trust.

Mr. Chairman, I am for this bill with the reservations I have noted. I am for the bill because I know this committee has worked faithfully with the public interest in mind in connection with the writing of this legislation. [Applause.]

[Here the gavel fell.]

Mr. WEARIN. Mr. Chairman, I yield myself 19 minutes.

Mr. LEHLBACH. Mr. Chairman, I have no objection, but a Member is not entitled to speak on a bill in general debate more than once.

Mr. WEARIN. I did not understand the gentleman.

Mr. LEHLBACH. I believe under the rule a Member is not entitled to speak in general debate more than once on a bill, either in Committee or in the House, but I have no objection. I may be in error.

Mr. WEARIN. The gentleman is correct in one sense of the word and an objection may be raised.

Mr. LEHLBACH. I have no intention of raising an objection.

Mr. BLAND. Mr. Chairman, the gentleman is correct about the rule. I ask unanimous consent that the gentleman from Iowa may proceed for 19 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WEARIN. Mr. Chairman, in considering finally the subsidy legislation that is before the Congress, may I remind the members of the committee of some very significant things that should be kept in mind.

In the first place, I would have the Members of the House keep definitely before themselves the fact that the experience of the United States Government in the operation of the merchant marine under the 1928 act has been most disastrous. It has been disastrous from the standpoint of a lack of faith and evidently a lack of willingness on the part of the ship operators to cooperate with a program for the purpose of building up the American merchant marine. In the face of this fact we must also recollect that the Congress today is faced with the situation of having the same group of operators, the same interests that desired the 1928 act, and they have abused their privileges under the 1928 act, asking this Congress for the legislation that is being proposed here today as a program for the advancement and the development of an American merchant marine. We

have no greater assurance as we deliberate here today that they will keep faith with the American people any more under this act, if passed, than they did under the 1928 act.

Mr. HARLAN. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Ohio.

Mr. HARLAN. What would the gentleman propose in order to keep our merchant fleet on the ocean if this act fails?

Mr. WEARIN. I will answer the gentleman's question in this way. If the pending bill is defeated, there is a resolution that I have introduced this morning providing a method of cancelation of the mail contracts under the 1928 act and a proper protection for the United States against those self-same operators recovering against the United States to the extent of securing damages for the incompleted portions of their contracts. That is the first portion of the reply. Secondly, the gentleman from Maine who preceded me this afternoon pointed out to the House that under this new act we are in effect through the payment of a construction subsidy loan paying in the neighborhood of approximately 85 to 88 percent of the cost of the ships that are to be built.

Following that we incorporate in this bill a provision that permits the same shipping interests to turn in the old ships—or, in other words, the junk that is navigating the seas—as part payment for new tonnage. As pointed out by the distinguished gentleman from New Jersey [Mr. LEHLBACH], who stated that our American merchant marine was depreciating and going downhill, we permit them to turn in these old ships as part payment and the first payment on the new merchant marine. We permit them to turn them in for what may prove to be the first payment that is due the Government as a result of the building of a new ship. There is nothing to prevent that amount making up the full first payment on their construction loan, and, following that, it is not inconceivable that the operating subsidies might possibly exceed or at least equal the amount of the payment due on the ships. The result of this situation might mean a new merchant fleet for practically no cash outlay on the part of the operators.

Mr. HARLAN. Is that not substantially one of the systems Germany is using at the present time?

Mr. WEARIN. Germany has a system of subsidies, but they have been utilizing them with greater success than the American Government has ever been able to operate under a subsidy, as demonstrated by the 1928 act and the failure of the American operators to cooperate with our system. If we are faced with the problem of furnishing, we will say, anywhere from 80 to 88 percent of the money invested in these ships, what is the difference between ownership on the part of the man who has the largest investment and the operation of those ships by private operators on a lease basis, which would protect the public interests far better than any provision with reference to the establishment of a costly series of subsidies, as is provided in this bill?

Mr. MORAN. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Maine.

Mr. MORAN. In section 521 appears the date April 1, 1935. Will the gentleman explain why that particular date, April 1, 1935, is in there instead of the former date of February, as appears in the old act?

Mr. WEARIN. As I understand this provision, it was inserted in the bill in order to permit such ships as the *Belgenland,* which has been renamed and placed under the American flag at a very recent date, to operate under the provisions of this subsidy and secure the benefits therefrom. That situation is certainly something that cannot be referred to as one of the benefits of this act when you can transfer a foreign ship operating under a foreign flag to the American flag and operate it under a subsidy program as provided in the proposed subsidy bill.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. If a line is operating and has not enough vessels to take care of the business offered, does the gentleman think it is better not to allow a ship to be included that can take care of the overflow and send that trade to foreign ships, or, temporarily, to use such ships to hold the overflow and save the commerce for America when the new ship is built. That is the situation.

Mr. WEARIN. In answer to the gentleman's statement, I will say that in my judgment it would be far better, if we are going to develop an American merchant marine, to build ships in American yards, to operate under the American flag, and under no conditions transfer foreign ships to the American flag in order to profit at the expense of the taxpayers.

Mr. LEHLBACH. Of course, but I am talking about a temporary situation. You cannot build such a ship overnight. It takes 18 months to build such a ship.

Mr. WEARIN. That is no reason why you should transfer the benefits under this bill provided by the American taxpayers over to some foreign-built ship. It is a bad principle to be injected into this legislation.

Mr. LEHLBACH. The gentleman again begs the question.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. MARCANTONIO. Would not the ideal solution be Government ownership and operation, and then we would have a real American merchant marine?

Mr. WEARIN. I may say in answer to the gentleman it would be far superior to our having an equity in these ships that amounts to 80 or 85 or 88 percent, and having the balance paid to the United States Government with obsolete ships, under which we would be holding the sack.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Maine.

Mr. MORAN. Section 1101 provides the usual authorization for appropriations. Can the gentleman tell the House how much the Bland bill will cost the taxpayers of this country?

Mr. WEARIN. No; I cannot, and I may say to the gentleman from Maine that no one else would dare be so presumptuous as to try to tell the House what this bill will cost the American taxpayers, either in the form of construction subsidies, or in the form of operating subsidies, or in the form of penetration subsidies provided under this proposed measure.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. WHITTINGTON. Do I understand the gentleman from Iowa to say there is no limitation upon the amount that may be appropriated under the terms of this bill?

Mr. WEARIN. There is no limitation upon the amount the authority may recommend or grant if it has the funds.

Mr. WHITTINGTON. Am I not correct when I say that in the acts of 1920 and 1928 there was a maximum that could be appropriated under those acts?

Mr. WEARIN. The gentleman is exactly correct.

Mr. WHITTINGTON. And there is no maximum fixed in this act?

Mr. WEARIN. There is no such maximum fixed, and, furthermore, there is blanket authority given to the authority to proceed toward the conclusion of construction subsidies and operating subsidies without any definite limitation upon the amount.

Mr. CROWE. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. CROWE. At the beginning of the World War American ships carried approximately 10 percent of the products of America that were shipped and then the World War came along and we spent $3,000,000,000 building ships. Does the gentleman want to see the same thing obtain or would the gentleman rather take a few chances, if necessary, to build up a proper merchant marine?

Mr. WEARIN. I may say to the gentleman that I have never, at any time, said to this House I was opposed to building up a merchant marine, but I am certainly opposed to building up a merchant marine with the aid of a construction subsidy which the President has committed himself as being opposed to, with the aid of a continuation of title IV of the 1928 act, which will permit the provisions of mail contracts

to continue to their termination, if the President desires them to do so; in other words, passing the buck to the President to cancel them. I certainly am not in favor of building up an American merchant marine in that manner.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. The President, so far from saying he was not in favor of a construction subsidy, has explicitly recommended a construction subsidy. The gentleman has read his message and ought to know this and ought not to misquote what the President states.

Mr. WEARIN. I have read the President's message. I have not misquoted him, and I fully understand that he asked the Congress to take those things into consideration. He said definitely that the United States Congress must stop this business of lending money for shipbuilding.

Mr. LEHLBACH. That is an entirely different question from a construction subsidy. The President in express language has recommended a construction subsidy.

Mr. WEARIN. The gentleman has not read the message the same way that I have.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. I want to call the gentleman's attention to an article in The Nation, which specifically analyzes the President's message and states that the President asks that subsidies be paid openly and not through building loans and mail contracts, but that they cut out these building loans and mail contracts.

Mr. WEARIN. The gentleman is correct.

Mr. O'MALLEY. So the President does not ask for a construction subsidy.

Mr. WEARIN. The gentleman is correct.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. FORD of California. The gentleman states that this bill is open and that there is no limit on the amount that will be appropriated for the building of ships. Is there any limit to the amount that will be paid for the processing tax and other benefits to other classes in the country?

Mr. WEARIN. I think the gentleman's question is entirely beside the point, because processing taxes are being levied for the purpose of paying benefits to the American people, while, certainly, the lending of money to the shipbuilders is for the purpose of benefiting a particular class of people who have not demonstrated their friendliness toward the American spirit in developing a merchant marine, nor have they cooperated in achieving such an end.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. MORAN. Has any farm program yet been presented to the Congress, in answer to the last question, whereby the Government would purchase a worthless farm from the owner and then lend to the owner 88 percent of the cost of a new farm?

Mr. FORD of California. Yes; just that program.

Mr. WEARIN. Certainly not. I must now conclude my remarks.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield for just one more question.

Mr. WHITTINGTON. What is the amount of appropriation contemplated annually under the terms of this bill?

Mr. WEARIN. The bill does not provide for an appropriation.

Mr. WHITTINGTON. I understand it is not an appropriation, but what is the amount contemplated, and I am asking this with respect to the amount the Treasury will be called upon to pay.

Mr. WEARIN. No one knows, and I do not think we even dare estimate the cost of the operation of this act. The sky may be the limit.

Mr. WHITTINGTON. I am simply wondering what the program is.

Mr. WEARIN. There is no limitation. Now, I decline to yield further. I want you to keep before you these facts. The President of the United States sent a special message to Congress requesting us to pass merchant-marine legislation, and made definite suggestions that we stop loaning money for shipbuilding and consolidating regulatory features for the Interstate Commerce Commission, and that we should terminate the practice of furnishing subsidies provided under the 1928 act. We have not provided for the definite termination of contracts, but we have passed the buck to the President of the United States, who must take the responsibility.

I call your attention to the fact that the remedies proposed by the Postmaster General in his report to the President of the United States have not been taken into serious consideration by this Congress in passing merchant-marine legislation.

I would remind you also that the committee has been guided in the preparation of the bill by the interdepartmental committee's recommendations, which were not prepared under an Executive order, but were submitted to Congress by President Roosevelt without recommendation.

I want you to keep this thought before you: That the matter of construction subsidy, the matter of operating subsidy, and trade-penetration subsidy provided for in this bill may rise to almost any height, with no definite assurance that we are going to have a merchant marine when we get through.

We have no more definite assurance in this bill that the 1928 act for a merchant marine will be any better 10 or 20 years from now, in spite of the unlimited expense herein authorized. [Applause.]

In conclusion, I desire to offer the following comment on the majority report on H. R. 8555.

SO-CALLED "GOVERNMENT OPERATION"

The following sentence is taken from page 3, paragraph 2:

> It may bring back Government ownership and either Government or private operation of some of these lines and so result in a return to those conditions which existed after the war when annual appropriations for the Shipping Board were something like $40,000,000, and sometimes more, with no permanency in sight.

The inference from the above is that it cost the Government $40,000,000 a year to maintain the same lines now operated by mail contractors. The facts are the Government had over 2,000 ships after the war, many of which were obsolete from the outset. A great percentage of these appropriations referred to above was expended for liquidating purposes and in the maintenance of an inactive fleet of which there are still approximately 280 vessels. Moreover, after 15 years, private ownership has not been obtained. Some 40 ships, owned by the Government, are still operated in essential foreign services not covered by mail contracts under liberal operating agreements.

In regard to the cost of operating the so-called "essential foreign-trade services", most of which are now operated by mail contractors, the records show that it cost the Government $115,000,000 to operate all of its services from 1923 through 1935. Only one of the lines included in this loss represented direct Government operation; the other lines were operated under some form of percentage agreement, where all the operators received the profits and the Government stood the losses.

Some of this money went for development or pioneering "trade penetration" purposes, and at the same time, managing operators on practically no capital realized net profits of an amount estimated to be over $10,000,000, while the Government was losing $115,000,000. As unfair to the Government as this form of operation may have been, it has proven less costly than operation under the mail contracts. Under the existing 43 mail contracts, the Government stands to expend approximately $320,000,000 over a period of 10 years. Thus far, these mail contractors have invested only approximately $59,000,000 of their own money in new vessels, and if the contracts remain in force and they construct all the vessels actually required under the

contract, it is doubtful if their total expenditure in new vessels during the period of the mail contracts will equal $100,000,000. Suppose it does equal $100,000,000? Deduct this sum from the $320,000,000 and there will be an operating cost to the Government of $220,000,000 over a period of 10 years as against the $115,000,000 expended during the 12-year period of the iniquitous managing-operator agreement system.

FOREIGN SUBSIDIES

A considerable amount of information has been given regarding foreign subsidies today, however too general to be of any value for comparative purposes. It is, no doubt, true that other countries aid their merchant marine. There is no evidence, however, that they are anything like as recklessly extravagant as has been proposed for American operators under the pending bill. Moreover, it is believed that a careful investigation of subsidies in most of the foreign countries will show that where the government loans a sizable sum for construction purposes, or otherwise aid their merchant marine, it not only exercises a strict control but puts government men on the board of directors and, believe it or not, they recapture all excessive profits.

Another thing might be pointed out: A great percentage of the aid extended in some of the foreign countries is used for the construction, maintenance, and operation of superliners of which we now have none in operation, and there is no specific provision for superliners under this act.

DEPRECIATION VERSUS SURPLUS

Much has been said in favor of permitting the operator to retain all profits, even though excessive at times, that he might build up a surplus for the construction of new vessels. Under the liberal terms proposed by H. R. 8555, there is absolutely no necessity for creating a surplus for construction purposes since the operator depreciates his vessels on a 20-year life basis and includes such depreciation as a part of his operating expense. All that is necessary for him to do to repay the Government the construction loans extended over 20-year periods and to set aside sufficient money to make the down payment on a new vessel (assuming he starts off with a new vessel) would be for him to set aside currently in a special fund the amount of the depreciation actually allowed in operating expense.

Mr. LEHLBACH. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, ladies and gentlemen of the Committee, a rejuvenated merchant marine has been the ideal of America ever since those glorious days when American clipper ships entered into the lines of trade and absolutely dominated the seas of the world.

Then there came a period when we turned inland to develop the great national resources that were incomparable in this land. The opportunities on shore were so rich that the gains from the sea were insufficient to hire the youth, on the one hand, and the capital on the other.

The romance of the unexplored West was more potent than that of the seven seas.

Free land, abounding opportunities, a fortune for the taking—these were what drew our youth and our capital from the seas.

Naturally, as a result of the tremendous development that took place as a result of the opening of the great West our seagoing proclivities declined materially.

A lesson was taught to us during the World War of what it means for a great nation to be devoid of the necessary shipping facilities to handle commerce under any contingency that arises. As a result of the decline of our merchant marine we were forced to pay foreign nations immense sums of money to transport our troops to Europe, and I hope to God we will never have to do anything of that kind again; but also I hope to God that if we do we will have the necessary ships to transport them without being dependent upon any other nation.

The eloquent gentleman from Iowa [Mr. WEARIN] said that this bill has no limit as to the amount that will be granted. The amount that will be granted will depend upon the number of ships that are constructed and the number of ships that are operated. Necessarily you could not put a definite limit upon that. The number of ships operated will depend upon the number of ships needed to carry the commerce of the country, and naturally the number of ships constructed will be the number of ships needed to fill that need. We have given subsidies to every other class, with perhaps one exception, and we are trying to do that now—with the processing tax to take care of the farmer. There are home loans to take care of the home owner and all kinds of loans to take care of insurance companies, banks, railroads, and all the rest; and now, when we are going to need a merchant marine, and when all the indications are that we will need one to carry our commerce, we ought to have a merchant marine to carry it.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. COLDEN. Speaking of the number of various classes in the United States, how much of the amendment suggested by Andrew Furuseth, the president of the International Seamen's Union, is carried in this bill?

Mr. FORD of California. I could not say as to that, but if we do not have a merchant marine of any kind, no kind of a grant to the seamen will be needed.

Mr. COLDEN. That is what he says?

Mr. FORD of California. That is the answer.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. WHITTINGTON. Wherein is this subsidy act an improvement over the act of 1928?

Mr. FORD of California. I do not know that it is an improvement, but it will be handled by a different group and probably administered more carefully.

Mr. WHITTINGTON. I should not like to see a repetition of the 1928 matter.

Mr. FORD of California. I do not believe we will have such an administration.

It seems to me that a merchant marine capable of handling American developed traffic is necessary if the American merchant is to enjoy anything like equality with his foreign competitor.

If this is not true, no one opposing this bill has presented facts or figures to the contrary. Most of the opposition argues for Government-owned ships. That is a desirable end. I doubt, however, that it is the step we are wise in taking at this moment.

Let me assure the advocates of Government-owned ships that whenever the time comes for that step I am with you. In the meantime let us protect American ships, American ship workers, American sailors, and American merchants.

That, my friends, is my philosophy. On that philosophy I appeal to you for support of this bill

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BLAND. Mr. Chairman, I yield the remainder of my time, 25 minutes, to the gentleman from New York [Mr. SIROVICH].

Mr. LEHLBACH. Mr. Chairman, I yield the remainder of my time to the gentleman from New York.

Mr. SIROVICH. Mr. Chairman, when ancient man found that certain things would float on water some genius, possibly cousin to the inventor of the wheel, gathered together floatable objects and used them to help him cross streams, ponds, and lakes that blocked his progress to some desired goal.

The earliest navigation was on rivers and the oldest records we have are concerned with Egypt and the Nile on which, nearly 5,000 years before Christ, boats were made of papyrus reeds woven in the style of an elongated basket and smeared with pitch within and without in order to make them waterproof. The Egyptians had no forests from which to obtain wood, but later on from the time of the first navigational experiments the Egyptians imported wood, probably from the coasts of Phoenicia and made their ships of wood, using papyrus, stiffened by slats, for sails to augment the sweeps, or oars, previously used.

Coeval with the Egyptians the inhabitants of the lands fronting on the Euphrates and Tigris Rivers turned to these watercourses for transport of persons and goods. Herodotus relates that the general custom of those along the upper reaches of these rivers was to build a framework of osier withes—that is willow branches—and cover them with skins, which in turn were coated with pitch, of which there was a plenitude in that region. Carried down the river by the current these early traders brought their produce to Nineveh and Babylon, sold or bartered it there, and then knocked down their coracle, as the bowl-shaped boats they used were called, loaded the whole on the back of a donkey which had been brought down in the coracle for this purpose, and made their way back overland to their homes.

The earliest occidental navigators of the open sea were the Phoenicians, especially those of Sidon and Tyre. They struck boldly out on the waste of waters in wooden vessels probably fabricated from the cedars of Lebanon. These early navigators of Philistia used first one bank of oars and sails and then added another, and possibly two more banks of oars, manned by captives, although the final perfection of the bireme, the double-banked vessels propelled by oars and sails, is given by credit to the Greeks long before the time of Pericles. It is tradition that Cadmus, a Phoenician, landed on the peninsula of Greece before the Dorians and Ionians came down from the north and took over the land, and not only gave the earliest inhabitants of the Hellenic Peninsula the alphabet but also inducted them into the arts of navigation.

The Greeks took their lessons well and soon were building ships that were used centuries before the Christian era to found colonies in Magna Graecia, the present Sicily, and on the south of the Italian Peninsula. So we find that the navigation of river courses and small lakes was the first attempt of man at water transportation, and that this gradually expanded through the centuries into marine transport on the Mediterranean, the Adriatic, the Tyrrhenian, the Aegean, and the Black Seas. Of navigation on the Red Sea, the Gulf of Persia, the waters of the great bays, and seas of the Orient, we have little record, but it is certain that such was accomplished by the natives of those regions.

Ancient vessels connected with ancient caravan routes and river mouths at strategical points along the coasts, such as the present Smyrna; olden Issus, far older than the famed Damascus; Gaza, various ports on the delta of the Nile, of which Alexandria became the most famous; Arsinoe, at the head of the Gulf of Suez. The rivers and the caravan routes performed the functions of modern railroads and brought the produce and products of the hinterland to the coast. The interior prospered because it had outlet to the sea through its coastal harbors; the coast prospered because the deep waters of the earth opened up highways over which the goods of one country could be rowed or sailed to another country and there bartered for that country's goods or sold, and these products brought home again for another sale.

Brigands raided the caravans on land; pirates looted the vessels at sea, but despite these levies by lawless force, trade prospered. Corinth sent the bronze to Athens and the Ionian settlements along the coast of Asia Minor, to Media, Persia, and Rome for armor and statuary. Tyre brought Corinth the tin that made possible the bronze alloy from copper and took factored bronze in exchange—the famous "aes Corinthia" or bronze of Corinth and brought the fine ladies of Corinth the fashionable Tyrian purple, that beautiful dye of the ancients that smelled so terribly in the making and looked so beautiful in the wearing.

Mr. Chairman, I could unfold a most fascinating tale of the merchant marine of ancient nations and the intriguing story of the development, step by step, of vessels capable of taking and holding the seas and of trade between all the civilized and barbarian nations of the days before Christ, but time does not permit.

At the head of the Adriatic Sea, which lies between the long boot of Italy, thrust deep into the Mediterranean, and the present Yugoslavia, Albania, and Greece, for centuries 11 streams swept down to the shores of this sea great quantities of alluvial soil from the mountains and piedmont that crown the head of the Adriatic. Due to an easterly flowing current, this silt was formed into long banks of alluvial mud, called "lidi"—lido in the singular. On these banks fishermen settled, and the first commerce of the ambryotic Venice was with fresh and salted fish to the mainland nearby.

The Goths, Huns, and Lombards overran the Alps, and to escape them the inhabitants of the cities of the mainland at the head of the Adriatic fled to the mud banks and lagoons offshore. This was in the fourth century of our era. There were 12 low mud-bank islands, and the settlers from the mainland formed themselves into lagoon townships and, in time, chose tribunes to represent them in the growing form of republican government.

The aboriginal inhabitants were absorbed by the mainland folk. Trade turned from the local barter with the mainland to the open Adriatic and, league by league, spread over the Mediterranean, up the Dardanelles, and through the Black Sea and across the southeastern Mediterranean to Egypt and the Red Sea, and thence to the Orient.

Venice prospered through her eastern trade until she became the great maritime nation of her times, but her supremacy was to be challenged by another Italian city, Genoa the Superb, built not on mudbanks but on the footing of high hills at the head of the gulf of the same name which tops the Tyrrhenian Sea, on which the "boot" of Italy fronts. Genoa itself is from genu—the knee—and well describes its location at the top of the "boot."

Genoa and Pisa first fought for trade and Genoa defeated Pisa. Then the Venetians and Genoese clashed over the riches of marine commerce and were each alternately victors and vanquished until the battle of Chioggia, in which the Venetians finally were victors. Genoa's trade had penetrated as far as the Euphrates and there the Italian city had erected strong fortresses for the protection of her commerce.

Out of the city of Lisbon, in the then weak nation of Portugal, in 1497 sailed Vasco da Gama with four vessels, instructed by Emmanuel the First to find a sea route to the eastward to India and China. Da Gama rounded the Cape of Good Hope and continuing his northeastward course reached Calicut in India. Later, with 10 ships, Da Gama sailed again to Calicut and in revenge for the treatment of the Portuguese he had left to establish a factory on his first visit bombarded Calicut and then swept onward to Cochin-China destroying everything he could that he found at sea. Calicut, from the cloths of which we get our name of calico, must not be confounded with Calcutta, which was not in existence then, being founded in 1690 by Job Charnock, of the English East India Co.

The discovery of an easterly all-sea route to the Orient by the Portuguese crippled the caravan-vessel routes, part overland, part seaway, of the Genoese and Venetians. An all-water route was cheaper than a mixed land and sea route. Furthermore, the crusades had endangered the western caravans that fell into the hands of the Saracens. Vessels were laden at the prime port and unladen at the home port or vice versa and a single shipment was made of goods instead of many transfers en route. To the Portuguese, rather than any other of the nations of the Middle Ages is due the discovery of the great value of all-water, long-distance transport of passengers and goods. Lisbon prospered as Genoa and Venice declined.

Much else of historical interest, for which we have not time, occurred between this period and the time of Elizabeth of England and Philip II of Spain, in the next century. With this "woman of England" and this "man of Spain" came the conflict for the control of the western ocean—the North Atlantic—and the sea routes to the New World and around the Horn to the Pacific, the Indian, and the China waters and their rich coasts. Elizabeth and Philip would have little more than academic interest for us were it not for the fact that the victories of Drake, Howard, Hawkins, and other English captains over the Duke of Medina Sidonia, in command of the Armada of Spain, closed the Continent of North America to further expansion by Spain and opened up English colonization of the eastern coast of North America above Florida, from which grew the British Colonies in North America, out of which developed the United States of Amer-

ica, based on English law and customs, and speaking the English language.

Had the Lord High Admiral of Spain, in any one of four engagements, been able to inflict a decisive defeat of the Lord High Admiral of England, and then to join with the Duke of Parma in the low countries—the Netherlands and Flanders—and together land victorious troops on English soil—Spain had the best infantry in Europe at that time—the very name infantry coming from Infante—the royal title of princes of Spain—the whole course of American history might have been changed and England herself become an appendage of Spain as had Naples and Sicily, Peru and Mexico.

Man proposes—God disposes. The storms of the skies, rather than the artillery of the English, scattered the Armada. Elizabeth Tudor herself was gracious enough to give Providence credit though she had two medals struck to commemorate the victory, one of which showed the Armada in flight and bore the inscription "Venit, vidit, fugit"—"They came, they saw, they fled."

English Elizabeth fostered merchant-marine commerce by instigating navigation acts for the protection of English mariners, by giving new charters to merchant adventurers, and organizing and financing new companies. She secretly upheld the piracies of Drake and Hawkins while she apologized for their buccaneering in public. From 1558, when the red-haired daughter of Henry VIII and Anne Bullen, or Boleyn, as we know her today, came to be Queen of England, until her death in 1603, she forwarded the dreams of her father, Henry VIII, and grandfather, Henry VII. The first of the Tudor dynasty obtained concessions for English cloth merchants in the Netherlands and increased trade with Scandinavia. Allying himself with John of Denmark, Henry VII broke the monopoly of the Hansa cities and gained free trade with Denmark. Venetian caracks had brought the goods of the Mediterranean to Southampton or Sandwich, but Henry Tudor concluded a treaty with Florence by which that republic opened its ports to English vessels, and the Venetian monopoly of trade with England ceased. English ships began to carry English goods north, south, and east.

John Cabot, a Genoese, settled in Bristol, fired by the exploit of his fellow Genoese, Columbus, got authority in 1497 from Henry VIII to sail the western sea and set up the English banner on all lands he might discover. Cabot ranged the North American coast from Labrador to the mouth of the Delaware—a great heritage for England, but one that was to lie latent until more than a century later under the Stuarts. Cabot received £7 sterling for his discovery.

Portugal had found Brazil and the route around the Cape of Good Hope to the Indian and west and south Pacific Oceans. Francis Drake for England had entered the Pacific around the horn. The Hollanders had found the route to the Orient. Spain was busy with the looting of Mexico, Central and South America, and under Philip had taken the Philippines. Trade was the base of all these exploits. The Spice Islands were in the thoughts of every mariner skipper. The famous Spice Islands were sought because there was to be obtained the condiments that would preserve and make palatable the stale and often putrid meat of the times, and that had marvelous medicinal powers, according to the beliefs of that day.

In all of this the three first Tudors, the two Henrys, and Elizabeth had much hand. Thwarting Spain here, checkmating Portugal there, blocking the Dutch elsewhere, overcoming the advantage of the German Hansa cities in the trade with the Continent of Europe and the circumnavigation of the globe by Francis Drake in the *Golden Hind*.

Under Elizabeth the English East India Co. came into being in 1600. Its original object was to compete with the Dutch East India Co., which had obtained a monopoly of the trade with the Spice Islands and had raised the price of pepper from 75 cents to $2 a pound, though the shilling of Elizabeth's time was worth much more than the quarter dollar of our time in purchasing value. For 258 years the English East India Co. monopolized English trade with all lands and islands lying between the Cape of Good Hope in Africa and Cape Horn in South America—that is, according to the charter granted by Elizabeth to "the governor and company of merchants trading into the East Indies"—and in the early days interlopers were liable to forfeiture of their ships and cargoes. James I granted subsidiary licenses to private traders induced thereto by the great profits of the trade, but in 1609 he renewed the East India Co.'s charter "forever."

France, Denmark, Scotland, Spain, Austria, and Sweden, also established East India companies and traded their home products for, or bought for cash the spices, silks, gems, and other valuables of the Orient. East India merchantmen became the finest ships that plied the seas, down to the advent of the American clipper ships in the early part of the last century. Cromwell renewed the East India Co.'s charter and Charles II made it his especial concern granting five charters to the company. I have dealt at length with certain aspects of English marine history because it was the root from which sprung American merchant marine. From the first, England subsidized her shipping. Not by outright gifts of money but by granting monopolies of trading rights to her mariners with the prospects of huge profits for private capital and joint stock capital in the beginning. This was an indirect subsidy and it was the foundation of England's greatness at sea. Over a long period of years, one by one she crushed or weakened her rivals in trade.

The wars with the Dutch, the Danes, the Spaniards, the piracy of Elizabeth's time, and the privateering, a polite term for piracy, of the Stuarts, and the alleged free trade of later monarchs had only one object—the expansion, with profit, of England's trade over the seas, north, west, south, and east.

American shipping had its origin in the seaports of the peninsula of Penzance. The names of the cities and towns in New England, the middle colonies, and Virginia show the love in which the early immigrants held their English homes. Plymouth, Bristol, Falmouth, Biddeford, Barnstable, Bridgewater, Weymouth, Dorchester, Portland, Southampton, Exeter, Truro, towns east of the Hudson and well known, indicate the early immigration to the American shores and the establishment of colonies by the men and women of Cornwall, Devon, Somerset, and Dorset, and it was the descendants of these men and women who built the early vessels of the merchant marine of the American colonies of Great Britain; and their descendants, in turn, aided by others, who built and manned the fishing, whaling, and trading fleets of New England.

Ships and the seas were in their blood and the same Atlantic Ocean that washed the shores of New England also bathed the strands of Old England, and called to them to venture forth on its broad highways as it had called to their forbears in the times of the Tudors and Stuarts.

Privateers and pirates are often confused in the modern mind. Privateers were privately owned vessels armed with cannon which sailed under the commission and flag of some recognized government. They might be called the militia of the sea. Another class of privateers consisted of vessels either owned or chartered by a colonial government. Their mission was to capture the ships and cargoes of any enemy, either factual or assumed. Pirates carried no commissions from any recognized government, but preyed on the vessels of all nations indiscriminately without regard to war or peace. Privateers sometimes turned pirates deliberately. Sometimes they became such technically by overlooking or misinterpreting the laws and usages of the seas. Both privateers and pirates became the equivalents of the land robber barons on the sea.

Privateering was really a sort of commercial venture. Skippers and crew worked on a sharing-in-prizes basis and were not paid regular wages. Privateers were an important adjunct to the naval operations of the American Revolution and of the War of 1812. They raided British commerce carried in British merchant ships. Privateering fell into dis-

repute finally. Pirates claimed to be privateers and privateers denied that they were pirates. So Europe abandoned privateering under the Declaration of Paris of 1856.

American vessels built on the coasts of Maine, Massachusetts, Narragansett Bay, Long Island Sound, the Hudson, Delaware and Chesapeake Bays, and even farther south, ventured on voyages across the Atlantic and back as well as along the coast. They traded agricultural and forest products of the Colonies for industrial products of England and Europe.

Fishing increased along the banks that lie off the shores of New England as far as the Grand Banks of Newfoundland. A hardy race of mariners developed there, and there are authenticated cases of fishing vessels driven by northwesterly gales in record time to the coasts of Ireland, England, and the Spanish Peninsula. Then came whaling.

Nantucket, Marthas Vineyard, New Bedford, Fairhaven, and Salem became the home ports of a series of fleets of whalers that ranged far and wide, from the Arctic to the Antarctic in the Atlantic Ocean, and up the Pacific to Bering Sea and the Arctic Ocean. Whaling trained seamen of fine quality for the merchant marine in the first half of the last century, and whaling brought at least $500,000,000 to the strong boxes of New England, much of which later was invested in clipper ships and sea-borne trade.

At the end of the eighteenth century France evolved a fast vessel of war along new lines. Intended for a convoy for merchant ships this new, swift type of vessel was also built for ocean commerce by France. England copied the French design, but it remained for American designers of naval and merchant vessels to evolve an entirely new type of sailing-vessel hull, sail rig, and mast stepping which became known as the "frigate type", of which the *Constitution, Constellation, United States, Ranger, Lexington,* and *Saratoga* were the prototypes. These vessels of war were slim hulled with clean runs aft, heavily sparred and canvassed, carried a cloud of sails forrad—forward—were quick in stays, ardent on the helm, and highly maneuverable at sea or in tight waters. The frigates of the 1790's were the parents of the clipper ships in the merchant marine service of the United States in the first half of the nineteenth century. Commerce learned from war and improved on its teacher.

The North Atlantic, the South Atlantic, and the Indian Ocean were common routes to the new steamships a little over a hundred years ago. From the *Savannah* to the *Civil War*, the new steamers were challenged by the full and medium clipper ships. England had plenty of coal and iron and little forest; America had few developed coal and iron mines but did have great forests. England pinned her faith on coal and iron, and the United States cleaved to hardwood hulls, great pine masts and spars and canvas. It was the conflict between beauty and utility, and utility won.

England built the *Britannia,* a paddle-wheel steamer, in 1840. The Great Western Railway of England built the first single-screw, iron-hull steamer in 1843, and the screw-propelled ship gained 3 knots an hour in speed over the paddlers. The seagoing world was astonished when the American Collins Line built the *Arctic,* in New York, in 1850, and she made the startling speed of 12½ knots an hour!

The Collins Line operating from New York and Boston to England from 1840 to 1856 was subsidized by the Government of the United States. When the Government in 1856 ceased subsidizing this line, the entire merchant marine of our Government collapsed.

The discovery of gold in California did more than enrich the pioneer miners and their backers. The names of Flood, Fair, Mackey, are known to many, but the names of the men and women who crossed the plains, the Rockies and the Sierras to reach the gold coast are buried in history. The great plains between the Alleghanies and the Rockies were the haunt of the Indian and the range of 20,000,000 bison, or buffalo, as they are improperly called.

Railroads were extended into the new territories. The eyes of the East were turned toward the fertile plains. The seacoast, Original Thirteen States, sent their sons and daughters westward and the empire of the sea was abandoned for the land empire of the West. Money that had financed clipper ships was poured into the coffers of the new railroads. The Federal Government heavily subsidized in money and great strips of marginal land the iron rail transport.

Seven railway systems received 81 percent of these land grants; and five systems, the Northern Pacific, Southern Pacific, Union Pacific, Santa Fe, and Chicago & North Western Railroads, received 79 percent of the Federal land grants, which amounted to a total of 129,947,000 acres, and from various States additional grants of 48,424,000 acres, making a total of Federal and State land grants to railroads of 178,371,000 acres. The value placed upon this immense acreage was the extremely reasonable one of $1 an acre computed on the average price received in the sale of Government lands in the 20-year period from 1851 to 1871. In addition to these grants the railroads also received about 600,000 acres of right-of-way grants generally in the proximity of or within the limits of cities and towns and additionally various other forms of financial aid. The price of $1 an acre does not in any way indicate the price per acre received by the railroads on a resale to settlers at later periods. Some of the land given away in order to forward rail transportation now sells for as much as $2,000 an acre. It must be remembered, however, that the railroad in some instances carried Government troops and property free of charge and in other instances at half the normal charge for such transportation.

In addition to the land grants, the railroads sold securities in the shape of bonds and their variants and stocks to municipalities, States, and private investors, and of this money represented today by the refunding, but not the payment, of these security debts runs into a standing funded debt of $12,000,000,000, to which must be added ten billions of money received from the sale of stocks estimated at par value. A total of $22,000,000,000 present-day valuation.

The railroads have certainly been well cared for financially by the Government and by private investing.

As the railroads gained in power and scope of operation the merchant marine declined. Confederate gunfire destroyed most of the beautiful full clipper and medium clipper ships, the ownership of which was mainly held in the Northeastern States, mostly in New England and New York.

In order to place the merchant marine on an equality with railroads, it would be necessary for Congress and the investing public to put in $200,000,000 a year, not counting interest, to provide the equivalents of the twenty-odd billion of the railroads.

Since the export and import ocean transportation of the United States represents about 10 percent at its best of the land transportation, the merchant marine should have received in this period $2,000,000,000, which figure could have been reached by an annual appropriation and investment of twenty millions a year.

Before the outbreak of the Civil War the United States had a merchant marine tonnage of 5,600,000 tons; England had a merchant marine tonnage of 5,900,000; the rest of the nations had 5,600,000 tons of shipping. Before the Civil War 75 percent of the export and import cargo of the United States was carried in American ships; this dropped to 8 percent in 1914 at the outbreak of the World War. With the start of this last disastrous conflict the European Allies withdrew all their shipping to their own purposes. American cotton was left in the fields unpicked, or stored in warehouses because there were no American ships to transport it abroad. The same thing was true of wheat and other commodities, except, in such cases where these commodities were required by the Allies for their own use.

When the United States entered the war, we had no vessels to transport troops and material and our Government had to rely upon foreign shipping, for which it paid a high price to England and France and later to Italy to transport troops and personnel.

In a belated effort to provide ships for its own war needs the United States spent $3,500,000,000, most of which went into wooden ships, which later were found to be absolutely unsuited for the purpose, involving a total loss of the money spent for these archaic structures.

For the transport of men, munitions, and material overseas and their return, the United States Government paid out to foreign governments or their nationals the astounding sum of $110,000,000.

Had this amount been paid to American shipping interests instead of to the foreign countries, who later repudiated their debts to the United States, American shipping would have been ably financed and our flag today would be flying over an efficient and competent American merchant marine. [Applause.]

From 1789 to 1860 American-built, manned, and owned ships carried the products of this Nation to all the ports of the world. There was a steady growth in our sailing merchant marine, mostly vessels of wood, of which we had ample supplies in our abundant forests. Oak, hickory, pine—and nothing devised by man in metal could equal the suitability of Maine pine for masts and spars. England had few forests but ample coal and iron. Iron for ships and coal for fuel. So naturally the Britons turned to the steamship as their means of carrying ocean-borne commerce. Americans also built steamships, and their efforts climaxed in 1840 in the Collins Line, which for 7 years gave keen competition to European steamships. The Collins Line was helped by the Federal Government through a mail subsidy. When this was withdrawn, about 1856, and the Collins Line lost two vessels, the line went into bankruptcy, and that was the end of that competition.

The destruction by the *Alabama* and other Confederate privateers of Federal shipping almost cleared the oceans of the American flag. Shipping had been highly profitable to the seaboard States, notably New England, and these profits were turned to the development of the great West. Coastwise trade still held its own but the deep sea was practically abandoned by Americans.

The Europeans were not idle. The heavily settled nations on the northwest of Europe clung to the sea. It was their route to world commerce. They had no great interiors to develop and the only export market for their surplus goods was by way of the sea, and to the sea they held tenaciously.

Each new vessel that was launched in Europe was larger and better than those that preceded her. European consuls in other nations sought out new fields for their nationals' goods—they were, and still are, commerce scouts. It is only recently that through the Bureau of Foreign and Domestic Commerce of the Department of Commerce that an organized attempt has been made to learn, on the ground, what American goods foreign nations would buy and that has been heavily curtailed in its activities.

From 1800 to 1860 American ship captains were not only skippers of their ships but were also first-class salesmen of American goods in foreign ports. The real work fell on the supercargo, an officer aboard ship who was in charge of the cargo. It was his job to find out what demand there was or could be created for American manufactured goods and to report the results to the captain and the owners. On the return home such cargoes were shipped as could find ready sale, in foreign ports. The historic ship load of warming pans, discarded in New England, taken down to the Tropics and sold to cook over open fires; the sale of ice to the southern countries; the introduction of Yankee clocks, shoes, rubber boots, horse plows, and other farming implements used by hand are examples of old-time Yankee enterprise. For many generations the young women of Buenos Aires would wear no other footgear but American kid boots.

South American countries are accustomed to long credit. Six months used to be considered cash in the last century. The American manufacturers would only sell for cash—spot cash. The English, German, French, and Scandinavian countries were willing to give long credit and to adopt the leisurely method of dealing customary in South America and the Orient. The Yankees were always in a hurry, anxious to do business out of hand. Their European competitors, adopting the methods of the countries they dealt with, gradually cut into the sales of American manufacturers. Americans offered better goods at better prices, and, when the motor car came in, with improved agricultural machinery, smarter shoes, better hats, and clothing.

These American goods had to be shipped in foreign vessels, and the foreigners saw to it that deliveries were slow and freight charges high—for Americans—while their own national goods were expedited and at lower freight rates. The edge was always against the Americans so far as ocean-borne commerce is concerned, which would not have been the case had there been enough American hulls to transport exported American products.

When the World War broke out the United States had only four vessels plying to South America regularly. Had we then been possessed of ample shipping the tremendous market in South America, which the nations at war were compelled to abandon, would have produced billions in profits to American manufacturers, exporters, and manufacturers. We need never have sold a dollar's worth of goods to the warring nations, but could have dealt with, and legitimately so, South America, the Far East, South Africa, and Australasia to the upbuilding of our export trade and the profit of all concerned. We would have gotten paid for our goods, which is more than can be said for the goods we shipped to the Allies.

When we finally established the United States Shipping Board and began to build ships overseas export trade which had dropped from a percentage of goods carried in 1860 in American ships amounting to 77.3 of the total to 8 percent in 1914. Our lowest point in tonnage and percentage of goods carried in American ships was in 1910, when the shameful figures of 782,517 tonnage and 8.7 percentage of goods carried in American ships were reached.

Due to legislation favoring the American merchant marine from 1917 on, the number of American vessels engaged in trade with Europe has risen from 6 to 193 vessels; with South America from 4 ships to 169; with the Pacific coast and Far East from 6 ships to 87 vessels; with Africa from no ships to 20 ships; and with the Pacific coast-Australasia from 3 ships to 19 vessels. To the Carribean, West Indies, and Canada in 1914 only 66 American ships were trading; in 1932 this had risen to 164 vessels. The total of all overseas ships in 1914 was 85, and this had increased to 652 vessels. The gross tonnage of these vessels has risen from 510,271 tons in 1914 to 3,282,022 tons in 1932.

The only thing that has enabled this increase in American shipping is the granting of mail subsidies, of which 44 are now in effect. To those who shudder at the word subsidy as if it were something malefic let me cite the figures of increase in tonnage to Europe, South America, the Orient, Africa, and Australasia which are from 187,333 tons in 1914 to 2,534,595 in 1932. All this is due to subsidies in the form of mail contracts which enabled our shipowners to compete with foreign ships in these trade routes, since a subsidy meant the difference between a continuous deficit and a slight but encouraging profit.

In 1924, due to world conditions, ships to the number of thousands were withdrawn from our trade. The farmers had a surplus of wheat of 250,000,000 bushels and no means of moving it to Europe. At a cost of less than $1,000,000 the Shipping Board moved this wheat abroad and thus prevented a price collapse that would have meant the loss of $600,000,000 to farmers.

When the British coal strike in 1926 caused the withdrawal of British ships the United States Shipping Board took out its laid-up ships, and came to the rescue of our farmers and industrialists, saving them a loss estimated to reach $300,000,000.

Two billions have been saved American shippers, to be added to their profits, by the reduction in ocean freight rates caused by the competition of American vessels in the period between the World War. Not alone is this saving but discrimination against American ships has been prevented, because we could compete for our own export trade with our own ships, and do not have to rely on foreign vessels for export carriage.

Nine billions is the amount of America's ocean freight bill for the decade of 1921–30. American ships of this

amount received three billions. We should have got every dollar of that nine billions instead of handing six billions over to foreign vessels. We shall get our legitimate share of freight, which is all that is paid for export of American goods, when we have the ships and they are properly supported by the American people through Congress. [Applause.]

Confining the citation to ocean-going vessels competing in the international carrying trade, we find the total of the world's merchant marine tonnage to be today about 36,000,000 tons. Of this tonnage, Great Britain has about thirteen and one-half million; Japan, slightly over three million; the United States, slightly less than three million; Germany, 2,700,000; France, about 2,250,000; and Italy, about 2,100,000. Compared with the situation in 1914, the American merchant marine engaged in ocean foreign trade has much improved, but we are still near the foot of the list from the viewpoint of competitive tonnage, although as a result of the act of 1928 in a period of 4 years subsequently 450,000 gross tons of vessels were launched, including 9 tankers and 2 ships of special type, leaving us high types of combination passenger and freight vessels valued at $142,000,000, or about $4,600,000 each vessel.

In the President's message he contended that we had given thirty millions in subsidies to ships of United States registry which is less than one-third of the one hundred and ten millions the United States paid to Great Britain and France for transport during the war.

In marine commerce between the elements of the British commonwealth of nations 90 percent of that trade a few years ago was carried in British ships although this transport, theoretically, is open to all nations However, as we all know, there is a vast difference between theory and practice. England has always cared most scrupulously for her commercial navy. Build as she would, Germany before the war was never able to set afloat more than one-quarter of the amount of British tonnage with all of Germany's naval technical advance. Remember, in this connection, that in 1858 the United States had as much ocean-going tonnage as all the other nations of the world put together, except Great Britain, and the United States was only 300,000 tons behind Great Britain at that time. From this splendid condition in less than 40 years the United States dropped to 8 percent of the carrying capacity of its own exports and imports, in 1914 the year that witnessed the outbreak of the World War.

When President Theodore Roosevelt sent the United States Navy on its voyage around the world, he had to go to foreign nations to get colliers, auxiliary ships, and tenders to accompany that fleet on its way around the world.

During the last decade foreign countries have carried about 75 percent of the ocean trade of the United States. Since this was profitable to them, it seems to me, that an opportunity was presented our former associates in the World War to devote part of this profit to the payment of the war debts to the United States, particularly also in view of the fact that between August 1914 and April 1917, when the United States entered the war, American shippers paid increased ocean freight charges boosted tenfold or more, which cost industry and agriculture of the United States nearly a billion dollars, and it might also be recalled during the British coal strike, after the World War, which withdrew many of their ships from service, that the United States Shipping Board was able to put ships to service to carry wheat and cotton out of Gulf ports, which saved American shippers 650 millions of dollars, which went into the pockets of American industrialists and farmers.

Were we able to build ships such as the American merchant marine needs, 85 percent of the cost would go for labor and 15 percent for material, to the advantage of the reemployment of labor and the development of the merchant marine. That is the purpose of the present bill. [Applause.] To put American shipping under the American flag back on the ocean trade routes of the world, where it belongs by the right of a great people to have their own means of waterborne transport to all the nations of the world, three things are necessary:

First. A construction differential subsidy, to be granted to shipbuilders and their shipyards to equalize the difference in cost between vessels built in the United States and vessels built in other countries due to the higher cost of materials and skilled labor in the United States over that obtaining in other countries.

Second. An operation differential subsidy, which would be a subsidy to equalize the difference in the cost of operating American shipping in competition with the shipping of other nations operated under lower labor costs for personnel, supplies, and repairs.

Third. A trade penetration subsidy, a grant to United States ships to enable their owners to open up trade with other countries not now open to or traded with by American ships.

No further mail subsidies should be granted. Their operation was permeated with fraud and corruption. I confidently believe that these methods will put the shipping of the United States of America on a parity with the shipping of the world and that through them the American flag again will be seen flying in all the ports of the world as it was in the days of the clipper ships. [Applause.]

The United States is now giving subsidies—there is no other name for it—to industry through the tariff; to agriculture through bounties; to bankers through the operations of the Federal Reserve Banking System; to labor and the American Federation of Labor through restricted immigration, thereby keeping out the competition of foreign labor; to Boulder Dam, Muscle Shoals, through flood control—all local in their operation and only indirectly, if at all, affecting the Nation at large.

In the building of ships 70 to 75 percent goes to labor and 30 to 25 percent to material; in the operating of built ships plying in trade 80 to 90 for labor and 20 to 10 percent for supplies; that is, for material. Testimony was adduced before the Committee on Merchant Marine and Fisheries during the hearings that the cost of labor in the building of ships was 80 to 90 percent of the total cost, and of material 20 to 10 percent; but the figures I first cited are based on construction costs of vessels built by or for the Navy, and I feel that these figures are the most certain. Whichever be true labor gets at least three-quarters of the amount spent for ships and may get as high as 90 percent. Labor is the great beneficiary in the end.

Washington, Jefferson, and Madison, in the early days clearly saw the value of shipping to the young United States when all they had to ship were agricultural, lumber, and fishing products. How much more is American shipping needed today, when the industrial products of the Nation have reached a development far beyond that of any other single nation and surpassing in variety and magnitude the entire products of many nations?

Are these products to be carried to foreign buyers of American goods in American export trade in foreign vessels so that our exporters are at the mercy of any freight charges that these foreigners may choose to extort, to their great profit, or are we going to arrange it so that the freight charges for American cargoes will go to the profit of Americans, as they should, and as they will when again we have an American merchant marine worthy of the name?

When the Cunard Line had obtained the cream of passenger and freight traffic on the North Atlantic from 1840 to 1847 the United States granted a subsidy to the American Collins Line, and in a short time the faster and abler Collins steamers had captured 50 percent more passengers and 30 percent more freight from the Cunarders and forced the Cunard to reduce its freight rates from $35 to $20 a ton, to the saving of American shippers. The withdrawal of this subsidy and the loss of two ships, about which there was much mystery, caused the Collins Line to suspend and left the North Atlantic to the Cunard Line. When Congress in 1857 abolished ship subsidies, it sounded the death knell of the American merchant marine.

In the 50 years from 1860 to 1910 American shipping fell from 77.3 to 8.7 percent of American foreign trade. Where once the stars and stripes had been seen in every important

seaport of the world it now became so seldom seen as to excite wonder.

American manufacturers and farmers were paying to foreigners every year hundreds of millions of dollars for freight that should have gone to American owners of American vessels—had there been any such.

Grover Cleveland, William McKinley, and Theodore Roosevelt in turn earnestly warned the American people of the dangers inherent in a policy of allowing American shipping to decline. Woodrow Wilson said:

> How are we to get the ships if we wait for the ocean trade to develop them? The Government must open these gates of sea trade, and open them wide.

When the World War broke out there were only 19 American ships in ocean trade, of which only 6—only 6, think of it—were in the North Atlantic trade. When the European belligerents withdrew their ships from trade we had none to replace them. If we had ships then the whole of South American trade could have been ours for the taking. But we could not ship our products south of the Caribbean since we had no vessels to ship them in, and a vast and profitable trade was entirely lost. Because it could not be shipped abroad, cotton fell to 5 cents a pound.

It cost the United States three billions to try to put ships on the ocean when we entered the war. If we add what we paid England, France, and Italy to this and then surcharge it with the lost profits we might have had from sea trade between 1914 and 1917 the amount is so staggering that I hesitate to give it. It would have provided the United States with a merchant marine surpassing any in the world, surpassing all in the world.

In shipbuilding 16 principal items are used. Each of the 48 States of the Union produces several of these materials. The benefit would not be confined to the seaboard States if we built proper ships for a new merchant marine. Every producer of cotton, corn, wheat, lumber, coal, oil would benefit; every State in the Nation would benefit; and at least 75 percent of the money spent would go to labor—in some special cases as high as 90 percent.

Therefore, it would not only be the shipyards of the seaboard States that would benefit from the upbuilding of a competent merchant marine by the United States but every section of the country, every State in that section, every county in that State, and I might almost say every village and hamlet in that county. This was true in New England in the days of the Boston, Salem, Portland, New Bedford, and Nantucket shipping; and what was true on a small scale in the days of the sailing ships would be as true in these days on a far greater scale.

We must have ships. We must have American ships, built by Americans and manned by Americans and flying the American flag. [Applause.] Our great prosperity lies in the export of or surplus products. When the United States is sending its industrial and agricultural products abroad that means that there is opportunity for the use of the full potentials of our producing capacities and abilities, not only in industry but in agriculture. There are great markets yet to be developed. The little town of Salem built ships and traded to the Orient and grew wealthy. The ships of Nantucket scoured the Antarctic, rounded the Horn, and sailed to Bering Sea and the Arctic. Were they hardier and better men than we? They had no trade. They had to make trade or find whales and they did both. Let the Government provide the three requisites that I have named: Construction differentials, operation differentials, and trade-penetration subsidies, and American men and firms will do the rest. But the ships we are to build must be real ships.

They must be able to compete in speed and comfort and cargo-carrying capacity with the best that the rest of the world has to offer in competition. I would rather we had 5 first-class 20,000-ton ships than 1 super 100,000 tonner. It is the combined cargo and passenger ship that Great Britain relies on. The *Queen Marys* are advertisements—splendid ones to be sure—but advertisements nevertheless. We must build our great superliners to match them later on. At present we need what are known as " combination ships ", carrying passengers and cargo, tankers, and cargo ships. Let the thousand-footers wait about 2 years until we have the solid fleets of handleable and profitable vessels plying into all the ports of the world from all the ports of the United States.

The ships must be made, as they can be made, as safe as human ingenuity can make them. They must be wholly manned by American officers and crews and wholly built of American material in American shipyards by American workmen. Then we shall know what we have got and how they will stand up in the times of stress that are bound to come at sea.

The sea is a rough master once it gets the upper hand. It takes skill, competent skill, to operate safely any ship at sea. Our American seamen have the intelligence so to operate their vessels when they get them and they can be trained. This cannot be done in a year nor in a few years. It takes years to make and mold an ocean line. Half a dozen ships under a house flag will not make a line. But American lines can be established and the time to begin is now. [Applause.]

The loss of lives of crews and passengers due to destruction of vessels at sea is estimated to have been 100,000 persons in the past century; the loss of cargo mounts to countless millions. Man has not conquered the sea and man never will. An icefield, solid and just awash, tore out the forefoot of the great *Titanic* and hundreds met their death. Spasmodic and unpredictable variation of the compass off the California coast made a fleet of torpedo boats pile up on the rocks. Ice in the Arctic has crushed whaling and exploring vessels as if they were made of thin glass instead of sturdy oak. Wind and wave have driven vessels ashore on lonely coasts with the loss of the ship and all hands.

But man must use the seas for his surface transport, and man will continue to use it if he cannot conquer it, defying its terrors and dangers with stout heart. Every new vessel that is launched is built better to combat that " Ol' Dabble Sea." Science in marine architecture reduces the dangers incident to shipping every year, but owners of vessels do not always take advantage of the advances made in design, construction, and operation. Vessels can be made practically fireproof, but not all are. Double hulls reduce the danger of sinking, as do athwartship and fore-and-aft compartments. But all vessels, passenger as well as freight, are not so equipped.

Trained and competent crews are obtainable, but it saves money for owners and ship's stockholders to discharge crews at the end of a voyage and rehire at the start of the next one. It takes more than one voyage for the bridge, engine room, and forecastle staffs to know their ship and what she will do and will not do under stress.

Two ships built from the same plans and materials, by the same construction crews, and in the same shipyard will differ even more than human sisters will. One will have an ardent helm and steer quickly; the other will have a slow helm and steer lazily. One will work to leeward despite all the helmsman can do, and thereby lose way, and the other will hold her course through the eye of a needle, as seamen say.

No vessel or any other human structure can be made wholly fireproof, but ships, as well as structures ashore, can be made strongly fire resisting and fire retarding, and ships can be equipped with proper fire-fighting apparatus and their crews trained in its instant and continuous use. Patent davits and practically unsinkable lifeboats and life rafts are obtainable in the market, but many shipowners carrying passengers will not go to the extra expense their purchase and use aboard ship involve.

The *Vestris, Morro Castle, Havana,* and *Mohawk* are the recent additions to disasters at sea in which many lives have been lost. There is no doubt in my mind that inefficient officers and crews and ineffective disaster-preventing and life-saving equipment were responsible in each case for the extent of these disasters.

Mr. Chairman, the greatest, most outstanding, and humane feature of this bill is the section that deals with the provision of my limitation-of-liability bill which I had inserted as a part of the ship-subsidy bill which we are now

considering. It is designed to protect the life of every human being that travels on an American ship. Let me briefly narrate to you the first statutory enactment of limited-liability law which took place in Great Britain in the year 1734. The first statutory enactment of limited liability was only for acts of embezzlement on the part of the master and crew and other acts caused by them. It limited liability for nothing else, just acts of the master and crew. In those days the enemies of the shipowners were the captain and the crew who took out the vessel and embezzled the cargo. They operated against the interests of their owners. Therefore the owner of the ship had to be protected against the master and his crew.

In 1786 the limitation of liability was extended to robbery and to losses in which the master and crew had no part. In 1813 the limited liability of shipowners in England was still further extended to include other causes of losses, including cases of collision. The only funds against which those who had lost their life or cargo could sue was against the money that was raised from the salvage of the ship, and if the ship was sunk there was no money, plus the money that was received for the transportation of passengers and its cargo. This was known as the "Limited Liability Act of Great Britain."

In 1851 Hannibal Hamlin, the distinguished Senator from the State of Maine, Chairman of the Senate Commerce Committee, introduced the limited liability law that was upon the statute books of Great Britain as part of the laws of the United States. His fundamental purpose was to put the American merchant marine on a parity with that of Great Britain.

In 1862 Great Britain, because of the protests of her citizens, who felt this limited liability law was written for the interests of the merchant marine and not for the traveling public, abolished the entire law. In its place it substituted a bill which makes it mandatory upon all British shipping organizations to pay £15, which is $75, per ton for each of its registered tonnage, for the protection of human life and cargo.

This law was approved in Great Britain in 1862. We never changed our law of 1851. Therefore we are in the tragic position of being the worst Nation of the world in taking care of its traveling public, our American citizens. Take the *Morro Castle* as an example. When that ship was sunk, 147 lives were lost and 100 people were permanently injured. The total amount of money for which these 247 people who lost their lives and were injured can sue is the sum of $20,000, while the Ward Line Co., the owners of the *Morro Castle*, have received the sum of $4,500,000 for its insurance. Behold the *Mohawk*, which was sunk. Forty-seven lives were lost and 50 to 70 permanently crippled and injured. All these people can sue since the ship has sunk is the money that the company received for the transportation of passengers and cargo, which amounts to $9,000, while the company received $2,500,000 for loss of its ship.

Is it fair? Is it just? Is it humane? Is it American? The limitation of liability which our distinguished committee helped me to put in this bill, and for which I want to express my personal thanks to all of them, particularly Mr. WELCH, of California; Mr. O'LEARY, of New York; Mr. WEARIN, of Iowa; Mr. BLAND, of Virginia; Mr. LEHLBACH, of New Jersey; Mr. CROW, of Indiana; Mr. HAMLIN, of Maine; Mr. WALGREN, of Washington; provides for paying a minimum of $60 per registered ton for the loss of human life alone.

In the case of the *Morro Castle* instead of only having $20,000 for the victims to sue for, they would at least have had between $600,000 and $700,000 if my provision for limitation of liability had been in operation. This section of the bill alone, Mr. Chairman, entitles every Member of the Congress to vote for this bill, because for the first time in the American history of our merchant marine it takes care of the life, the limb, the health of every American citizen traveling upon our sea-going ships. [Applause.]

Mr. Chairman, in the past, property rights, the property of shipowners, were guarded and protected, but human life took its chance not only with the dangers originating with wind and wave but also with the dangers from incompetent crews and officers and ineffective equipment and inefficient operation of vessels in times of emergency and danger. The present section of limited liability in this subsidy bill makes our laws the most humane and progressive in all the world.

I have traveled on foreign vessels to Europe and I have used American ships on coastal voyages and ocean journeys.

I hate to admit it, but the foreign vessels engaged in trans-Atlantic transport have the advantage of American shipping in the long and continuous operation of lines. A flotilla of vessels does not make an ocean line. It takes decades of continuous operation to form an ocean line—or rather it takes Europeans that length of time.

If American lines were subsidized directly, as are European ocean lines, the story would be different. Give us ships competent to compete with the ships of Great Britain, France, Germany, and Italy, and the means of training officers and crews to man them, and it will not take long for American passenger and cargo vessels to get their full share of ocean passenger and cargo traffic.

The golden age of American clipper ships lasted only 25 years, from 1833 to 1858, yet in that time the American flag, carried by these wonderful American designed, built, and manned ships, was flown in every important seaport of the world. When the discovery of gold in California and Australia provided demand for fast vessels, full rigged and entirely seaworthy ships were built in 90 days.

Given sustaining subsidies, as were the railroads in their early days and since, American built and manned shipping would again compete for its own foreign trade and the trade of the world. Given the protection of a satisfactory limited liability law for the protection of passenger and cargo at sea, as this present bill provides, and our vessels would be used to capacity.

There are many other provisions looking toward the safety of passengers, cargo, insurance, security for insurance and other features, all designed for the fair treatment of passengers, shippers and vessel owners and for the advancement of American shipping on the trade routes of the world in order that the Stars and Stripes shall again be a familiar sight in the seaports of the world, and as a beginning in the formulation of legislation that shall operate to put American shipping where it belongs—at the head and forefront of the shipping of all the nations of the earth. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted etc.,

TITLE I—DECLARATION OF POLICY

SECTION 1. It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and at least one-half of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States and so regulated by the Government as to secure to the shipper and receiver of products in the domestic and foreign water-borne commerce of the United States adequate service and equitable rates, and (d) composed of the best equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine. All the agencies of the United States Government shall keep always in view the purpose and object of the policies herein expressed as the primary end to be attained.

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike out the last word. I am sure that no word from me is necessary to insure the passage of this legislation with such amendments as may be appropriate. I rise to emphasize the importance which I attach to proper legislation at this time for the development of the American merchant marine.

The bill may not be perfect in every detail, but it gives every evidence of careful consideration by the Committee on

Merchant Marine and Fisheries, which has had it in charge for some months, and such imperfections as it may embody can be corrected prior to enactment, or in the light of experience by a subsequent Congress. Personally I am prepared to accept the belief of the majority of the committee that this bill, with such amendments as may be appropriate, will prove a long step forward in preserving the American flag upon the seas and will provide ships to serve for national defense in time of emergency and for promotion of commerce in time of peace.

I believe that proper legislation to develop a strong American merchant marine is highly important with a view to the proper handling of our foreign commerce. The eloquent words of the distinguished chairman of the committee in charge of this bill, the gentleman from Virginia [Mr. BLAND], proved this fact conclusively to my mind this morning. A fleet of but 3,000,000 gross tons, carrying less than one-third of our exports and imports during the past year, or less than one-sixth of our foreign trade on a 1929 basis; a fleet less than one-quarter as large as that of Great Britain, about the same size as that of Japan, only slightly larger than that of France, of Germany, of Italy; a fleet which will be nearly 90 percent obsolete by 1940 with replacements in process amounting to less than 2 percent of the world's total—this, in a word, is the situation confronting us in America today.

I believe that proper legislation to develop a strong American merchant marine is also highly important in the interest of national defense. Any of us who had anything to do with the World War appreciate fully what a vital part the merchant marine played in that connection. Proper legislation in advance of the war would have served to eliminate the tremendous drive and expenditure involved in the construction of some 300 naval vessels between April 6, 1917, and November 11, 1918. I quote in this connection from a statement made by General Pershing at the National Conference on the Merchant Marine held in Washington some years ago:

> I feel that I can speak with some authority on this subject. At the head of our armies, 3,000 miles away, the responsibility rested upon me of upholding our country's honor and directing our part in the gigantic struggle which we had chosen to share with the Allies. Everything depended upon sea transportation. Our troops and most of our munitions, materials, and supplies had to come to us from home. Throughout that whole period there was scarcely a day when the danger of lack of sea transportation facilities was not present. It was a desperate race against time, in which we had to depend in large measure upon our Allies for the necessary shipping, in spite of the fact that they were constantly suffering the severest losses by enemy submarines.
>
> Two lessons stand out clearly from that experience. The first is the wisdom of the historic national policy of Great Britain in maintaining a strong merchant marine. But for her merchant fleet and her ability to replace losses rapidly, the U-boat campaign might well have been successful. The other lesson is the unwisdom of America and our risk of defeat because we had practically no ships on the high seas when we entered the war.

Mr. Chairman, I also urge at this time the passage of proper legislation to develop a strong American merchant marine as an aid to relief and recovery through the construction of public works. The construction of a ship, of course, affords essential employment for all those working in our great shipyards and the members of their families, but it does far more than that. Every State of the Union contains industries producing materials and equipment utilized in the construction of a ship. From 80 to 85 percent of the total cost of construction is expended directly or indirectly for labor, one-half for labor within the shipyard, one-half for labor outside the shipyard. Every State of the Union, therefore, is in a position to benefit from ship construction.

For all these reasons, Mr. Chairman, the construction under proper regulation of an adequate merchant marine seems to me to be a vital matter. I trust that this legislation with such amendments that may be appropriate will be adopted by the House. [Applause.]

Mr. MORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MORAN: On page 2, line 3, after the symbol "(c)" and the word "owned", strike out in line 4 the words "and operate under the United States flag" and insert in lieu thereof the words "ultimately to be owned and operated privately."

Mr. MORAN. Mr. Chairman, the purpose of this amendment is to place back in this bill the same phraseology that existed in the 1920 Merchant Marine Act, reaffirmed in the act of 1928. It recognized the necessity, in the first place, of a merchant marine, and the desirability, if it were possible to accomplish it in a practical manner, of having that merchant marine under private ownership and private operation; but nevertheless to have a merchant marine.

Some persons are more interested in their personal end of the merchant marine than they are in the general question of having a merchant marine. The problem before us is whether we need a merchant marine. If it is possible to attain a merchant marine under private ownership and private operation, then we can have that written into the bill as in the 1920 and 1928 acts.

This amendment would change it to read "ultimately to be owned and operated privately by citizens of the United States."

I see no particular reason for changing that phraseology in this particular act, because at the present time we have a large number of ships owned by the United States Government, which necessarily still have to be operated by the United States Government in the various trade routes in many parts of the world. By so doing we would make no change whatever in the present existing legislation. The one point of this amendment is that if it is practical to have private ownership and operation, this amendment provides for and states that to be the policy. It reenacts the words of the 1920 and the 1928 acts, "that ultimately they are to be owned and operated privately."

The CHAIRMAN. The time of the gentleman from Maine [Mr. MORAN] has expired.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

The amendment which was offered was a necessary provision or certainly a desirable provision in the act of 1920 and the act of 1928. The same conditions do not exist now except in a very limited way. When the 1920 act was passed there were practically no vessels that were owned by private owners; or, to state it differently, there was a very large fleet in the possession of the Government that was constructed in time of war, for which provision was being made for private operation and ultimate private ownership. The objective then was private ownership. The same condition existed when the 1928 act was passed. We tried the 1920 act. We tried it with Government ownership. We tried it with Government ownership and private operation. Many of the injustices and abuses that are being complained of today arose during that period, and these abuses were incident to that sort of service. Today we have only a very limited number, I think about 288, or possibly 290, vessels in the laid-up fleet. These are being separated now into those that are serviceable and those that are not serviceable, with a view to disposing of some of them. To pass this amendment simply means a step toward Government ownership and an indication of Government ownership as a policy. I can see no necessity for this particular amendment at this time.

I ask that the amendment be voted down.

Mr. FOCHT. Mr. Chairman, I move to strike out the last word. Of course, Mr. Chairman, there cannot be found here a Member of Congress who would not favor American fleets that would sail the Seven Seas with the commerce of America, to be exchanged for the products we do not produce of other countries, or whatever may be of benefit to the American people; but it is possible that there are a few Members of Congress in this day whose enthusiasm seems to run to the point of overleaping the horse on this question, men who forget that famous Shipping Board we had in this country. I am amazed that someone here, if they knew about it, did not ask, as I tried to ask the gentleman from New York, who refused to yield, what became of the money that the Shipping Board used. I now ask someone favoring this bill, although I am not prepared to say I am against

it if it is properly amended, if he can explain away that old Shipping Board and tell us how much it cost the United States; how much the United States was robbed of, and what became of the ships that were built with the taxpayers' money, before you start to duplicate that same thing? That is all I have to say. I hope the gentleman from New York, who refused to answer that question, will be given time to tell us what became of the Shipping Board, and what was done with the money they are charged with stealing from the United States Government?

Mr. WEARIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

I will answer the gentleman's question with reference to what became of that money. I refer the gentleman to page 40 of the preliminary report of Senator BLACK's committee, which has come out within the last few days.

I may say before I start reading this, that copies of the report of Senator BLACK's committee are available to the Members and can be secured by requesting a page to bring one.

On page 40 of the report I find this statement:

> True Government operation has had only one trial. Although certain marine profiteers and some portions of the press have repeatedly asserted that the Government has lost huge sums by direct Government operation and drawn therefrom the unsound conclusions that such losses are inevitable in true Government operation, the truth is that this Government has not, since 1920, with the exception of one fleet, engaged in any such operation. The exception is the fleet operated as the United States Lines. After spending $5,565,327.05 during a period of 4 years in the development and operation of this line in a manner similar to the development of lines privately operated, the Government, for the fiscal year 1927, showed a profit of $404,017.12 in the operation of this line. During that same year so-called "private operations" on other Government-owned lines operated for private profit, cost the American taxpayers $9,283,035.31. This was prior to the widespread decline in maritime business conditions. This line was sold to private interests in the year 1929 and has been privately operated since that time with the aid of huge grants of so-called "mail pay." The result of this single instance of true Government operation does not show the impracticability of such operation, but, on the other hand, demonstrates that true Government operation, under normal business conditions, has been and can be profitable.

Turning now to the amendment offered by the gentleman from Maine, Congress should remember that the United States Government still owns 288 ships, and the time might come when it would be unusually advantageous to put them on the high seas. This amendment is intended to take care of that situation specifically and within the bill.

I would also recall the fact in connection therewith that this amendment does not alter the provisions of the previous Merchant Marine Act, as pointed out by the gentleman from Maine. Certainly there is no reason why we should shut the door to the proper consideration of any merchant-marine legislation for the development of any merchant-marine policy we might consider advisable, be it Government ownership and operation or Government ownership and private operation under charter hire as provided in the Moran bill.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. BLAND. Under the pending bill the Government could use them any way it pleased.

Mr. WEARIN. I understand that under the bill the Government could dispose of the ships, operate them too, if it is so desired, therefore there should be no objection to this amendment.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. DONDERO. Referring to the 288 ships owned by the Government and referred to by the gentleman, is it not a fact that most of them are obsolete?

Mr. BLAND. Most of them are about 20 years old.

Mr. WEARIN. They are obsolete in one sense of the word.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. MORAN. Is it not true also that 28 of those ships are now sailing to five different continents from this country on trade routes owned and operated by the United States Government?

Mr. WEARIN. About all that we have at the present time on the high seas, according to statements from the floor today, is a substantial number of obsolete ships, in spite of the act of 1928 which was passed presumably to create a growing merchant marine, and under which the public has been fleeced of millions of dollars.

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the crux of this question is whether in this bill we should affirmatively recognize Government ownership and Government operation of a merchant marine. I do not care what happened under the old Shipping Board to which the gentleman from Pennsylvania referred. He said operation under the Shipping Board immediately after the war. I do not care what happened since that time. Under the act of 1928, under any form of operating our ships, there was not the confusion, the extravagance, the waste, and the corruption that followed immediately after the war under Government ownership and Government operation. Be that as it may, this bill provides, in accordance with the recommendations of the Chief Executive, for private construction and private operation of ships in the American merchant marine with Government aid.

A declaration such as contained in the amendment offered by the gentleman from Maine is repugnant to the bill, is repugnant to the President's message, is repugnant to the report of the interdepartmental committee, and is repugnant to the expression of the Secretary of Commerce, in whose department the shipping under consideration is now lodged. It is repugnant to everything excepting the views of the gentleman from Maine and the views of the gentleman from Iowa.

Mr. BLAND. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. O'MALLEY. Mr. Chairman, this particular amendment seems to me to be directed toward the real issue of this bill. If the Government is to finance American shipping to the extent of 88 percent of the cost of building the ships, the Government should also have the opportunity, if necessary, of operating the ships the building of which it finances.

This morning there came across my desk a particularly pungent article from the Nation, which magazine cannot be classed as anything but a somewhat semi-conservative publication, literally tearing the lid off this ship subsidy proposition. I wish to quote a little from this article because the article seems to direct itself so pertinently toward this particular issue. I read the following:

> Hiding behind the argument of national defense, the shipowners are preparing again to raid the Treasury for their enormous profit. This was a familiar spectacle under a Republican administration. It reached a climax of shamelessness in the Jones-White Act of 1928. Now it is being repeated, hardly more subtly, in the Bland-Copeland bill, on which early action is expected in Congress. Despite the traditional hostility of the Democratic Party to subsidies, despite the President's message to Congress, asking that subsidies, since they were to be continued, be paid openly and not through building loans and mail contracts, the shipping interests are demonstrating that they are stronger than parties.

The language of the bill pending before us shows that the gentleman who wrote this article certainly knew what he was talking about. Now we come to the point: Certain minority members of the committee desire to make this a real bill by including a provision which will enable the Government to keep its hand in the shipping business which it is financing as long as the provisions of the bill are operative, and we find that the committee and the gentlemen on the opposite side oppose us.

I want to quote something that we ought to bear in mind when we vote upon this particular bill:

> When it comes to socialization we prefer to socialize something other than losses which a Government-owned merchant marine

might amount to. But if this is the only price for ending the plunder of the Treasury by shipping interests, we are ready to see it paid. It is an insult to American intelligence for the owners to argue that Government ownership is bolshevism, hence un-American. But we can understand their delight in an Americanism which lets the Treasury buy their ships, and the Post Office pay the entire cost of operating them, while they wave the flag and pocket the profits.

Whenever a group of big business racketeers of this country want to reach into the pockets of the people and the Treasury they have somebody go down and wave the flag. I think we, as members of the Democratic Party, ought to live up to some of our platform pledges and live up to some of the things our party has gone on record for in our national conventions time and again. We ought to defeat this bill, rewrite it, and come back here with the kind of a bill which the President asked for in his message.

Mr. McFARLANE. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Texas.

Mr. McFARLANE. Does not the gentleman think, since we are going to put up at least three-quarters of the money for this Shipping Trust, that we ought to retain title to the ships until we are paid back?

Mr. O'MALLEY. I agree with the gentleman.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from New York.

Mr. MARCANTONIO. As a matter of fact, the Al Capones, the Dillingers, and the Jesse James boys were Sunday-school boys compared to the beneficiaries under this bill.

Mr. O'MALLEY. In the next campaign there is going to be lots said about supporting and not supporting the President. The President has specifically stated he is opposed to these kind of subsidies. Now we have a committee controlled by the Democrats bringing in this kind of a bill. I believe that the bill ought to be defeated by the Democrats of this House.

In conclusion, before voting on the question of passage of this bill tomorrow, it might be well for Members of this House to read the other portions of the article in the Nation from which I just quoted. I am, therefore, asking that it be inserted herewith, together with an extract from the Democratic platform, which clearly and succinctly states the traditional opposition of our great party to the type of special-interest, "pork barrel" legislation which will only be defeated if the Democrats in this House live up to the pledges of their party and the desires of their President.

[From the Nation of June 26, 1935]

STOP THE SHIP-SUBSIDY PLUNDER

They (the shipping interests) themselves drafted the Bland-Copeland bill, and it was introduced a few days after the President's message. If nobody chanced to study it, it would pass the House Merchant Marine Committee unanimously and might slide through Congress without a record vote. Since it was sponsored by two Democrats, it easily could be mistaken for an administration bill. But the bill was studied—there are still some public-spirited Congressmen—and it was found to continue the plunder of the act of 1928 under a new and even more rapacious guise. Construction subsidies and loans were to remain, and even mail contracts could be made. According to Congressman Moran, the first to expose it, shipowners under the bill could borrow up to 88 percent of the value of ship, and then operate it with Government help the maximum of which was not clearly specified. The possibility of making new mail contracts has since been deleted, but the bill remains a fraud and merely perpetuates the scandal of subsidies in other forms.

Now, it should have fallen to Secretary Roper to defend the President and the country from this bill. If he were a loyal Secretary of Commerce instead of a special lobbyist, he would have done so. Instead, when asked point blank by the House committee for his judgment on the bill he replied that while it differed from the President's recommendations he did not object to it. The committee likewise asked Postmaster General Farley for his judgment, and he declined to give an opinion. Thus the President has no one in his Cabinet to lead a fight for him against the shipping interests, and MORAN, BREWSTER, and WEARIN in the House committee and BLACK in the Senate have been like snipers firing on a marching army. Even if the bill is reported to both Houses with minority reports there is no certainty of its being defeated.

It would not be enough to defeat it, since legislation to protect the public must be passed in its place. The shipping interests are in a happy position. If they fail to get the Bland-Copeland bill and no legislation is passed, the Shipping Board remains, it has a melon of $20,000,000 ready to cut, and the only action left to the Government to end the mail-subsidy scandal is for the President to cancel existing contracts. This he can do until October 31. But this will stir up a hornet's nest of litigation, and with the memory of the canceled air-mail contracts he will be loath to do it.

The only available substitute for the Bland-Copeland legislation is Government ownership, proposed by Senator BLACK and Congressman MORAN. Since the Government is putting up nearly all the cost for building and operating the merchant marine, they argue it might as well own it outright, and since objection is made to Government operation MORAN is willing to have private operation by license.

We prefer not to have any ship subsidy whatever, since we do not share the mystic faith in the benefits of a subsidized merchant marine. If foreign shippers carry our freight at reasonable rates we are leaving to them one avenue for paying their debts to this country. The only argument against relying on foreign ships is that in time of war we are left without enough vessels to safeguard our interests. The chief of these interests is the transport of men and supplies to fight abroad. It is still the official conception that national defense entails our being able to send 4,000,000 Americans to fight overseas. It is a defiance of public opinion to maintain this conception and to enrich shipowners to carry it out. If there is any proposition which would lose in a national referendum it is this idea that we must be prepared to repeat the calamity of 1917. The other argument is that in time of a war in which we do not participate we shall not be able to continue our neutral trade because of the shortage in shipping. No doubt shipping costs would be high. But this is a question of dollars and cents. Is it not cheaper to pay this cost for the duration of a foreign war than to pour out annually our tens of millions to enrich a handful of shipowners?

We are not so sanguine as to expect Congress, trained by years of propaganda by shipowners, to abandon subsidies altogether, so we must come back to the Roosevelt policy of paying out public money openly, and ending the sickening abuses of the past. Government ownership is at least an honest solution of the problem. If the Government is going to advance 88 percent of the cost of new ships, and pay the differential between American and foreign costs of operation, it might as well assume all the responsibility, own its own fleet, and get it operated as efficiently as possible. That will close off the era of corruption described in the report of the Black committee on mail and air contracts. It will put an end to the shipowners' lobby and to the firm of Ira S. Campbell (presumed to be the author of the Bland-Copeland bill), drawing a legal fee of $252,000 for representing one company of shipowners in Washington. Then the shipping men who honeycomb the Department of Commerce can be weeded out, and that Department made more capable of rendering disinterested public service.

EXTRACTS FROM THE DEMOCRATIC NATIONAL PLATFORMS ON THE SUBJECT OF A MERCHANT MARINE

We oppose as illogical and unsound all efforts to overcome by subsidies the handicaps to American shipping and commerce imposed by Republican policies. * * *

We declare that the Government should own and operate such merchant ships as will insure the accomplishment of these purposes and to continue such operation so long as it may be necessary without obstructing the development and growth of a privately owned American-flag shipping.

We reaffirm our support of an efficient, dependable American merchant marine for the carriage of the greater portion of our commerce and for the national defense. * * *

We are unalterably opposed to a monopoly in American shipping and are opposed to the operation of any of our services in a manner that would retard the development of any ports or sections of our country.

We oppose such sacrifices and favoritism as exhibited in the past in the matter of alleged sales and insist that the primary purpose of legislation upon this subject be the establishment and maintenance of an adequate American merchant marine.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I was quite astonished when my friend, the distinguished gentleman from Pennsylvania, made the statement that he wanted to see the merchant marine of America travel the seven seas, carrying the products of America to all ports of the world and bringing back the products of those countries to our ports. That is the rankest kind of heresy for a Republican. I invite the gentleman to come over and join the Democratic Party. The proper theory should be that the American merchant marine shall sail the seven seas, carrying goods to every port of the world and come back empty.

Mr. FOCHT. I may have committed an error, but I would not be so stolid as to advocate that the ships of the American merchant marine go to a port loaded and come back light.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. MORAN].

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 22, noes 48.

Mr. MORAN. Mr. Chairman, I demand tellers.

Tellers were refused.

The amendment was rejected.

The Clerk read as follows:

TITLE II—UNITED STATES MARITIME AUTHORITY

SECTION 201. (a) A board is hereby created to be known as the "United States Maritime Authority" (in this act referred to as the "Authority"). The Authority shall be composed of five persons (in this section referred to as "members") to be appointed by the President by and with the advice and consent of the Senate. The President shall designate the member to act as chairman of the Authority, and the Authority may elect one of its members as vice chairman. The members of the Authority shall be appointed as soon as practicable after the enactment of this act, and shall continue in office, as designated by the President at the time of nomination, for terms of 3, 4, 5, 6, and 7 years, respectively, from the date upon which they qualify and take office; but their successors shall be appointed for terms of 7 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. The members shall be appointed with regard to their special fitness for the efficient discharge of the duties imposed upon them by this act. One member shall be appointed from the States touching on the Atlantic Ocean, 1 from the State touching on the Pacific Ocean, 1 from the States touching on the Gulf of Mexico, 1 from the States touching on the Great Lakes, and 1 from the interior. Not more than three of the members shall be appointed from the same political party. A vacancy in the Authority shall be filled in the same manner as the original appointment. Any member may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Vacancies in the Authority so long as there shall be three members in office shall not impair the powers of the Authority to execute its functions, and three of the members in office shall constitute a quorum for the transaction of the business of the Authority.

(b) No member on the date upon which he qualifies and takes office shall be in the employ of, or hold any official relation to, any carrier by water, or any person carrying on the business of shipbuilding, ship repairing, marine insurance, stevedoring, ship chandler, or forwarding, or furnishing towboat, wharfage, dock warehouse, management, operating, or other services of a like character in connection with any carrier by water, or own any stock or bonds of any such carrier or person, or be pecuniarily interested directly or indirectly therein. No member while in office shall engage in any other business, vocation, or employment, or be in the employ of, or hold any official relation to, or own any stock or bonds of, or be pecuniarily interested, directly or indirectly, in any such carrier or person. No member shall take any part in the consideration or decision of any claim or controversy in which he, or any person in his immediate family, has a pecuniary interest.

(c) The Authority shall, through its secretary, keep a true record of all its meetings and the votes taken therein. The Authority may adopt rules and regulations in regard to its procedure and the conduct of its business. Attorneys employed by the Authority may appear for or represent it in any case in court or other tribunal. The Authority shall have an official seal, which shall be judicially noticed.

(d) Each member shall receive a salary at the rate of $12,000 per annum. The Authority is authorized to appoint a secretary, who shall receive a salary at a rate not in excess of $7,500 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its functions and as may be appropriated for by the Congress. With the exception of the secretary, a clerk to each member, the attorneys, naval architects, and special experts and examiners, all employees of the Authority shall be appointed from qualified employees of the United States Shipping Board Bureau or United States Shipping Board Merchant Fleet Corporation, or, in case no qualified employee of such Bureau or Corporation is available, from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service laws.

(e) The Authority may make such expenditures as are necessary in the performance of its functions. Each member, any employee of the Authority, and any person detailed to it from any other agency of the Government shall receive necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from his official station upon official business of the Authority. Expenditures by the Authority shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the Authority, or a designated employee of the Authority.

Mr. WEARIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WEARIN: Amend section 201 (a) to read as follows:

"A Board is hereby created to be known as the 'United States Maritime Authority', and hereinafter referred to as the 'Authority.' The Authority shall be composed of three persons, hereinafter referred to as 'members', to be appointed by the President, by and with the advice and consent of the Senate; and the President shall designate the member to act as chairman of the Authority, and the Authority may elect one of its members as vice chairman. The members of the Authority shall be appointed as soon as practicable after the enactment of this act, and shall continue in office for terms of 2, 4, and 6 years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of 6 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. The members shall be appointed with regard to their special fitness for the efficient discharge of the duties imposed upon them by this act. Not more than two of the members shall be appointed from the same political party. A vacancy in the Authority shall be filled in the same manner as the original appointment. No member shall take any part in the consideration or decision of any claim of particular controversy in which he has or has had a pecuniary interest."

Mr. WEARIN. Mr. Chairman, the effect of this amendment is to reduce the authority from the total number of five members to three. There is a very specific reason for offering this amendment and for adjusting the terms to conform with this situation.

If we have a 5-man regional board, as is provided for in this bill, it permits entrance into the deliberations of this board of some very unfortunate situations. For example, each man has a tendency to represent his own regional district, while this Authority should by virtue of its importance to the merchant marine industry as a whole, represent the national Government and the national viewpoint. For this reason we should by all means make this Authority a board consisting of three men and eliminate the regional feature.

At the time we do so we will eliminate the disadvantage of log rolling that naturally appears under such circumstances. If we can achieve that end and make the Authority a group of men who are interested in the welfare and the progress of merchant-marine legislation in America from the standpoint of the benefit that is going to accrue to the United States Government as a whole, it will be a far more beneficial set-up and secure far better results. That is the substance of the amendment I have offered, and I am confident that if accepted it will materially improve the administration of the bill.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this section was carefully considered by the committee. I will admit that originally the ideas that have been advanced by my good friend, the gentleman from Iowa, appealed to me. However, upon reflection, I felt that the provision for the Maritime Authority should be as we have provided in the bill.

First, there might be a tendency to a concentration of appointments in a particular section of the country who would not have regard for the outlying ports, and who would not be informed as to the commercial and transportation problems that obtain in the South, in the West, or in other sections of the country. The feeling prevailed that in order that this board may have general information as to the country as a whole and the desirability of developing lines from the various ports of the country and developing those ports themselves, it would be much better to have the five-man board, regionally appointed as we have provided in this act, than to have the three-man board.

In addition we are placing upon this Authority more responsibility than ever rested upon the Shipping Board. We are placing in them the power to control and prevent the abuses that have existed in the past. This Authority has the important duty of working out this problem and correcting the chaos in which we find ourselves. With all of these things appealing to the committee, the committee felt it would be far more desirable to have a five-man board now, even if the number should be subsequently reduced, than to have a three-man board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 5, line 4, after the word "of", strike out $12,000 and insert $10,000.

Mr. DONDERO. Mr. Chairman, my purpose in offering this amendment is the fact that in the last few days this

House has provided for the salary of the members of a board of equal importance to the board set up in this bill, and that salary was fixed at $10,000. I am wondering whether the services of the members of the board set up under this bill are of any greater value to the Nation than the services of the members who are to sit upon the Labor Disputes Board, whose salary was fixed at $10,000. I have a further amendment providing that the salary of $7,500 a year provided for the secretary to each member of the board be reduced to $5,000 a year.

While I am on my feet I should like to ask the distinguished chairman of the committee a further question. He was asked on the floor of the House today whether or not anything in this bill applied to mail contracts on the Great Lakes and his answer was "no." I ask the further question, whether there is anything in this bill applicable to private ship building on the Great Lakes.

Mr. BLAND. I would say there is not.

Mr. DONDERO. There is not?

Mr. BLAND. That is my recollection.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield so that I may ask the chairman of the committee a question?

Mr. DONDERO. I yield.

Mr. BROWN of Michigan. Surely, the shipbuilders on the Great Lakes could build this type of vessel.

Mr. BLAND. I do not think they are excluded under the act in any way.

Mr. BROWN of Michigan. It would be beneficial to the shipbuilders on the Great Lakes if they were able to participate.

Mr. BLAND. I do not think they are excluded anywhere in the bill.

Mr. BROWN of Michigan. I certainly should not want the gentleman's statement to be construed to the contrary.

Mr. DONDERO. In other words, they could enter into competition with any other shipbuilders in the country.

Mr. BLAND. I would say so; yes.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. GRAY of Pennsylvania. Inasmuch as the gentleman is interested in bringing these salaries down from $12,000 to $10,000, and inasmuch as the Government is now employing in all of its work projects only those who are on relief and compelling people to go on relief in order to get work, I wonder if the gentleman has any information as to whether the members of this board are going to be taken from the relief rolls?

Mr. DONDERO. I will say to the gentleman that I have no information on that subject.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, this matter received very serious consideration in the committee. It is our desire to have a body that shall be composed of as able men as can be obtained in the country. Upon the shoulders of this body will largely rest the success of this policy. It is doubtful whether you can get men of the caliber needed to work out these policies for less than $12,000. Possibly you could get them, but these men will have far greater responsibilities than the members of the Labor Disputes Board. In the adjustment of the ocean mail contracts they will have to go through many contracts and study 34,000 pages of testimony. They will have the consideration of millions of dollars of claims both on the part of the contractors and on the part of the Government based on these contracts which will have to be worked out. They are also to work out the development of a shipping policy which we hope will bring about a time when subsidies may be abolished. I have no more desire than any other man to continue subsidies, and it is only the necessity of the occasion, as well as the appeal of the President himself that we must have subsidies that brings me to this conclusion.

I understand that the members of the Interstate Commerce Commission receive a salary of $12,000, and the functions of this body in working out these policies will be as great and as important as those of the Interstate Commerce Commission. It must also be remembered that they must give up all their other business connections.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WOODRUM. I am in hearty sympathy with what my colleague has said about the necessity of having men of a high order on this board, but I want to call the attention of my colleague to the fact that if this salary for the members of this board obtains, it will be the only independent establishment in the Government paying more than $10,000 a year.

Mr. BLAND. My information is that $12,000 is the salary of the members of the Interstate Commerce Commission.

Mr. WOODRUM. Yes; with the exception of the Interstate Commerce Commission, but the members of the Tariff Commission, the Federal Trade Commission, and a great many other very important commissions are on a $10,000 basis, and I very much hope the committee will feel like accepting this amendment.

Mr. LEHLBACH. Mr. Chairman, I move to strike out the last word.

I do this simply to state that the difference of $2,000 that the individuals who comprise this board will receive in itself is not much, and I am not viewing this question at all from the standpoint of the men who are to receive the salary, but there is this to be considered.

This maritime authority is to be to the sea what the Interstate Commerce Commission is to the land, and this maritime authority will have at its inception problems infinitely harder to solve, more intricate, and upon which the result of the welfare of industry depends more than the welfare of the railroads and other means of transportation rest upon the Interstate Commerce Commission.

We should place them on a plane comparable to the Interstate Commerce Commission. If they are to be on the same basis, if they are to have the same recognition, they should be on a parity as to salary.

If you adopt this amendment you are handicapping the bill from the start.

Mr. MILLARD. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. MILLARD. What is the salary of the present members of the Interstate Commerce Commission?

Mr. LEHLBACH. Twelve thousand dollars.

Mr. COLDEN. Are not the duties of the Interstate Commerce Commission greater and more complex, investigating matters that involve millions and millions of dollars, than will be the duties of this board?

Mr. LEHLBACH. I think the duties of this board at the inception will be infinitely more complex and infinitely more important to the welfare of the country than that of the Interstate Commerce Commission.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. DONDERO) there were 35 ayes and 45 noes.

So the amendment was rejected.

Mr. WEARIN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend section 201 (b) by changing the first sentence thereof to read:

"No person shall be eligible for appointment as a member who has or has had within a period of 3 years prior to appointment, any financial interest in any carrier by water, or other person subject to this act or the shipping laws, or any subsidiary or affiliate thereof, or in any business or concern deriving a substantial portion of its revenue from such sources, or who has within 3 years prior to appointment, been employed by any such firm, person, company, or corporation."

Mr. WEARIN. Mr. Chairman, in my judgment this is a very important amendment, and one that has significance in the operation of the authority. Under the present bill as proposed, this authority can be composed of members who have only yesterday maintained connection with any

steamship company or any operator who may be benefited under this particular type of subsidy legislation. That man could become a member of the authority tomorrow, if he desired to do so, and there should be no provision in this bill which would permit him such an immediate transfer of interest from one field to another. Such a condition is not conducive to impartial administration when such a man is going to sit as a judge, so to speak, of the very concern with which he may have been connected and to which he will be in position to extend favors. It is to the interest of the public that they be safeguarded against such a contingency by the adoption of the pending amendment.

I would remind you, Mr. Chairman, that Senator BLACK's investigating committee, which so recently reported, recommended this procedure, and has recommended also that there be a limitation with reference to the time that must elapse between the period when a man must sever his connection with a shipping company and when he becomes associated with the authority. This report says, and I read from the report of the investigation of air mail:

No person should be eligible to appointment to any executive or supervisory position in the agency administering the subsidy, who has, or who has had, within the period of 3 years prior to the appointment any financial interest in any shipping company, shipbuilding company, etc., its subsidiaries or affiliates.

I recognize only too well that some representatives of shipping interests such as Ira Campbell—I do not know whether he is in the galleries or not, but if he is not his representatives may be—would probably oppose this kind of a provision, or any other representative of a subsidized shipping interest that came before our committee and testified that this bill is the type of legislation desired by shipowners. I would remind you also in connection with this fact that we should safeguard the public at least to the extent of 3 years, when we have, in connection with the Railroad Commission, the Interstate Commerce Commission, for example, at least a gentleman's agreement that no representative of railroads can be appointed to that board. The argument will be advanced, probably, that we must select men who are highly trained in the field of shipping in order that they may judge the marine question intelligently.

We have a remarkably efficient Railroad Commission, and the members have never been railroaders, nor have they held large blocks of stock in the Burlington or the Union Pacific or the Baltimore & Ohio and transferred those interests today to become a member of the Interstate Commerce Commission tomorrow; but this bill would permit shipping representatives to do that very thing. I insist that in order to safeguard against it the amendment should be agreed to.

Mr. McFARLANE. In other words, the gentleman's amendment is an endeavor to encourage them to be honest, and to permit the selection of officials who might not be too closely connected with the interest they are supposed to serve.

Mr. WEARIN. Yes. I want to remove them as far as possible from the interests they are associated with as business men, and I think it is of the utmost importance that the Congress place a limitation of 3 years within which a man must have had no connection with a shipping interest; otherwise he should not be eligible to membership on the authority.

Mr. BLAND. Mr. Chairman, I do not desire to consume too much time, but I wish to discuss certain phases of this amendment and also certain references made in an article appearing in the Nation, and particularly the supposed influence of Mr. Ira Campbell. There is one practice that I pursued during the hearings on this bill. When shipping companies came around and wanted to talk to me, I told them they must present their views in open session before an open committee, that they could not talk privately with me on these matters. Ira Campbell has not talked privately with me, and I believe the gentleman will admit that the imputation which has appeared at times in certain newspapers is unjust. I have tried to protect the committee and myself against every such accusation or imputation.

So far as the amendment is concerned, when Mr. Chief Justice Hughes was placed on the supreme bench he doubtless came from the practice of his profession. A 3-year limitation was not imposed in his case. I have no desire to see a shipping man or anybody else on the board, but I am willing to trust the President of the United States to make wise selections. I am willing to trust the Senate of the United States, with the Senator from Alabama [Mr. BLACK] present. He has rendered a distinct service to the Nation. I am willing to trust these Senators to consider most carefully the selections made and to find out whether the men are eligible for the position to which they have been nominated. I would not want to cut off a man who may occupy a high position in admiralty law as an admiralty lawyer, a man of such high standing that the finger of scorn and suspicion could never be pointed at him.

Mr. LEHLBACH. The introducer of the amendment spoke of the excellent appointments made by the President of the United States with reference to the Interstate Commerce Commission, which act has no such limitation as he seeks to impose in this bill. Is there any reason why this President should be discriminated against, when the other Presidents have made good appointments, as the gentleman himself says?

Mr. BLAND. No; I desire not to tie his hands. I want to give him every opportunity to go into the Nation and select the best men he can for these positions.

Mr. WEARIN. Has our experience with the selection of public officials to administer the 1928 act indicated that we could place our faith in men who have been connected with the shipping interests?

Mr. BLAND. Franklin D. Roosevelt did not make the appointments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The question was taken; and on a division (demanded by Mr. WEARIN) there were ayes 22 and noes 58.

So the amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 5, line 6, after the word "of", strike out "$7,500" and insert "$5,000."

Mr. DONDERO. Mr. Chairman, we have just listened to the argument advanced that the members of the board set up under this bill would be members of a very important board to function under the United States Government, and therefore they must be of such high standing that it is necessary to pay them salaries of $12,000 a year, in order that the President of the United States might have a field from which to select men capable of discharging the duties of those positions, who would not serve for less than that amount of money. If that is so, then the secretaries to those men, whoever they may be, who serve on that board will do nothing more nor less than clerical work similar to the work done in the office of every Member of this House; as Members of Congress, we are allowed $5,000 annually with which to employ two secretaries. Their work is also important to the people. I submit to the Members of this House that $5,000 per annum for each secretary to the members of the board is sufficient, adequate, and reasonable. If you agree with me, I ask you to support this amendment.

Mr. BLAND. Mr. Chairman, I just want to call attention to the fact that this is a general secretary. He has very important responsibilities and the bill provides "not in excess of this amount."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 28, noes 50.

So the amendment was rejected.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 201 (b) by adding thereto the following sentence: "The receipt of any gratuity or valuable thing from any person, directly or indirectly,

subject to this act or the shipping laws shall constitute cause for immediate dismissal of any member or employee of the Authority, and the receipt of employment, any gratuity or valuable thing from any such person by any immediate relative of a member or an employee of the Authority shall also constitute cause for dismissal of such member or employee, if in the opinion of the Authority such action is required in the public interest."

Mr. WEARIN. Mr. Chairman, I understand the committee will accept the amendment.

Mr. BLAND. I stated that I accepted the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. WEARIN. Mr. Chairman, I offer a further amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 201 (d) by adding after the word "Congress", on line 10, the following: "*Provided*, That no employee other than the members of the Authority shall receive a salary in excess of $10,000 per annum."

Mr. WEARIN. Mr. Chairman, I see no reason why the authority, when its members are to receive, according to the action of the House, $12,000 per year and its secretary $7,500, should be permitted to pay salaries in excess of $10,000 per annum for those other or additional employees who may be associated with it. It seems to me that is a reasonable limitation upon the salaries of subordinates who are functioning under that authority. If there is any necessity for expert assistance as intended, the authority has the right to draw upon other departments of the Government for such temporary services.

Mr. LEHLBACH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

It is not within the realm of common sense that any ordinary employee would receive more than $10,000, but there are occasions when experts must be employed, and to put this limitation in this section is simply to that extent to hamstring and hamper and handcuff the authority. There are occasions when the Department of Justice pays special compensation to those assisting in its work, far in excess of what the Attorney General of the United States receives. There have been times when the Shipping Board for technical service has been paid more than the members have received. There are occasions when technical and special knowledge, aptitude, and experience must be had and must be paid for. There is no reason for putting in this limitation any more than there was reason for putting in the amendment that employees of the authority should not accept bribes. It is a gratuitous insult, but with respect to this amendment, it may be harmful. The other amendment merely besmirches those who accept employment under the maritime authority. This amendment is serious in that it hampers the authority.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment. As a general proposition, I do not think there would be the slightest danger of this happening, but there are special occasions when the limitation may prove a hardship, and certainly the Committee on Appropriations will be able to watch it from year to year as they did in the case of the Shipping Board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The amendment was rejected.

The Clerk read as follows:

SEC. 203. The Authority shall make studies of and make a report to Congress as soon as practicable on—

(a) The scrapping or removal from service of old or obsolete merchant tonnage owned by the United States or in use in the merchant marine;

(b) Tramp shipping service and the advisability of citizens of the United States participating in such service with vessels under United States registry;

(c) The construction by or with the aid of the United States of superliners comparable with those of other nations, especially with a view to their use in time of war or national emergency;

(d) The relative cost of construction or reconditioning of comparable ocean vessels in shipyards in the various coastal districts of the United States, together with recommendations as to how such shipyards may compete for work on an equalized basis.

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: Page 8, line 2, after the word "basis", strike out the period, insert a semicolon and a new subsection, as follows:

"(e) Revision of the navigation laws necessary to insure the maintenance of standards and equipment which will provide the highest possible degree of safety for passengers and crews on vessels."

Mr. LEHLBACH. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LEHLBACH. Section 203 directs the authority to make studies of and make a report to Congress as soon as practicable on the scrapping or removal from service of old or obsolete merchant tonnage, tramp shipping service, the construction of superliners, the relative cost of construction or reconditioning of comparable ocean vessels in shipyards in the various coastal districts of the United States. These all have to do with research, and the reports all have to do with the building up of a merchant marine by means of Government aid in the construction and operation of vessels.

The amendment offered by the gentleman from Michigan authorizes a study and report on the revision of the navigation laws necessary to insure the maintenance of standard and equipment which will provide the highest possible degree of safety for passengers and crews on vessels.

The purpose of the amendment, of course, is very laudable, but it has nothing whatever to do with the subject under consideration.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. McLEOD. Mr. Chairman, the declaration of policy on the second page of the bill deals strictly with things which are necessary to carry out the policy contained in the bill. If the gentleman thoroughly understood my amendment he would realize that it comes within the declaration of policy. The policy declared is that the United States shall have a merchant marine sufficient to carry its domestic water-borne commerce and at least one-half of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times. More especially I call attention to the declaration as found on page 2, line 12:

It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine. All the agencies of the United States Government shall keep always in view the purpose and object of the policies herein expressed as the primary end to be obtained.

I offered this amendment, Mr. Chairman, with the hope that the committee would accept it more or less as a perfecting amendment. I believe that in drafting the bill the committee unintentionally omitted this matter, which is all important in carrying out the actual provisions of the bill. For this reason I submit the amendment is strictly germane.

The CHAIRMAN. The Chair is ready to rule. The section of the bill to which the amendment is offered relates to the granting of authority to make studies concerning the scrapping or removal from service of tonnage that is not necessary, that is out of date, or out of repair. The amendment offered by the gentleman from Michigan relates solely to the navigation laws and the safety of passengers, and is not, therefore, germane to the section of the bill to which it is offered.

The point of order is sustained.

Mr. MASSINGALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my real purpose in rising is to secure a little information from the chairman or some member of the committee. We listened to a very learned discourse by the gentleman from New York [Mr. SIROVICH] on the origin of commerce. In his address he discussed a law that we had in the early days of this Republic under which he said

the commerce of the world was carried largely under our flag. I should like to see a return to that condition. During the time the gentleman from New York [Mr. SIROVICH] was talking I was hoping I might have the opportunity of asking him to tell us the fundamental bases of that law which must have been enacted about the beginning of the last century, but I did not have the opportunity. I think the matter is important and I should like for him to tell us, for I am sure he knows, in just what respect that law differs from this law. In other words, did the Government of the United States, or the Congress of the United States, along about the year 1800, subsidize owners of ships to the extent of giving them 88 percent of the cost of building the ships?

Mr. BLAND. May I answer the gentleman?

Mr. MASSINGALE. Certainly.

Mr. BLAND. The Government did not at that time. One of the earliest laws passed by Congress affecting American ships I think was in 1789. One of the first acts passed by the First Congress imposed a lower duty on goods coming into this country on American ships, an additional duty was placed on such goods coming in foreign bottoms. That law continued for a long time with varying changes, and was later repealed. Then we reached the period of the construction of wooden ships. We had the naval stores, we had the forests, we had the material; we could build ships much cheaper than they could be built abroad. That was the period of the clipper ship, the time when we carried an immense amount of commerce. Then we come to the days the gentleman from New York [Mr. SIROVICH] spoke of when the subsidy was given. I think it was at about that time we began to change from the clipper ship to steam and to the use of the steel or iron ship, and as England could underbid us on that, she commenced to beat us. Then the War between the States came on and we lost a lot of our commerce.

The Clerk read as follows:

SEC. 302. Section 5, as amended, of the Independent Offices Appropriation Act, 1934, is amended—

(a) by striking out "October 31, 1935" and inserting in lieu thereof "June 30, 1936", and

(b) by adding at the end of such section, as amended, the following: "If the President finds in the exercise of the powers vested in him by this section, in respect of any contract in force under title IV of the Merchant Marine Act, 1928, as amended (U. S. C., Supp. VII, title 46, secs. 891e to 891r, inclusive), that the substitution, in whole or in part, for such contract, of a direct subsidy contract or contracts under title V of the Merchant Marine Act, 1935, is desirable in the public interest and will aid in carrying out the purposes and policy of such act, he may, in his discretion, direct the United States Maritime Authority to negotiate with the holder of such contract for a cancelation or modification thereof, and the substitution in whole or in part thereof of a direct subsidy contract or contracts. The Authority shall not make any agreement for, or consummate, any such cancelation or modification, and substitution, without the approval of the President after submission to him of the terms and conditions of the proposed cancelation or modification, and substitution."

Mr. WEARIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend title III by striking therefrom sections 301, 302, and 303.

The CHAIRMAN. Section 303 has not been read as yet.

Mr. BLAND. Mr. Chairman, I make the point of order against the amendment that section 301 has been passed, section 302 has been read. Section 301 having been passed, it is not now open for amendment.

The CHAIRMAN. The point of order is sustained to section 301.

Mr. WEARIN. Mr. Chairman, I should like to offer the portion of the amendment which refers to 302.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend title III by striking out section 302 and inserting in lieu thereof the following:

"SEC. 302. The holder of any such canceled contract may, within 1 year from the date of the passage of this act, be entitled to sue the United States to recover just compensation in the manner provided by paragraph 20 of section 41 and section 215 of title 28 of the United States Code. The claimant and the United States shall have the right in said court to set up and have determined and adjudged by said court all legal and equitable claims, defenses, offsets, credits, and recoupments, to which either may show it is entitled, to the end that all conflicting claims, assertions, and rights may be fully, fairly, and completely settled and adjudged by said court. The jurisdiction of said court is hereby limited to an award of just compensation, which compensation shall not include any allowance for prospective or speculative future profits that might have been realized by the claimant if permitted to further perform his contract.

Mr. WEARIN. Mr. Chairman, I am sorry the chairman of the committee lodged a point of order against the amendment to the previous section of the bill. This section refers to the matter of cancelation of the existing mail contracts and is of the utmost importance if this Congress is interested in what the President wants. He has asked that we make specific provision for the cancelation of those contracts. Certainly if he had wanted the responsibility shifted on his own shoulders and to continue as is, he would have so stated. He would not have specifically requested the Congress to provide for the cancelation of these contracts under title IV of the 1928 act.

There is no question, according to the findings of Postmaster General Farley in connection with the investigation of that Department, but what the bids and the contracts entered into by those contractors were the result of collusive bidding. That is a matter of record, taken under oath before the Post Office Department. For this reason there should be no hesitation on the part of the Congress to terminate these illicit mail contracts rather than being afraid to assume the responsibility and passing the buck to the Chief Executive who is going to have to shoulder the burden.

Mr. Chairman, it is time the Congress canceled these contracts and took a step forward to protect the public interest by regulating the amount of just compensation for these matters. I would remind you in connection with that same matter that we have taken such action prior to this time in the House with reference to the processing taxes under the terms of a bill introduced by the Committee on Agriculture and passed by the House, in which we prevented processors from recovering this tax. This is the same kind of protection.

If the Members of the House are interested in preventing the mail contractors, who have entered into these contracts by means of collusive bidding, from recovering an excessive amount of damages on the basis of the unmatured portions of their contracts through an action in court, that, even though it may not be successful, will be costly to the United States Government and will string out the procedure of cancelation of these contracts for a long time, again shifting the responsibility to the shoulders of the President, they should vote for this amendment, which will protect the interests of the public. A question was raised in the committee as to the constitutionality of limiting just compensation for cancelation of the contracts under the 1928 act, in support of which I offer the following brief:

CANCELATION OF GOVERNMENT CONTRACTS

The liability to make compensation for private property taken for public uses is a constitutional limitation of the right of eminent domain. Only to the extent of the limitation can the citizens obtain any redress (*Winona, etc., R. R. Co.* v. *Waldron* (11 Minn. 515, 539)).

The fifth amendment "has always been understood as referring only to a direct appropriation and not the consequential injuries resulting from the exercise of lawful power" (*Knox* v. *Lee* (79 U. S. 457)).

When property rights are not taken for public use, the injury, no matter how grievous, is merely incidental to the exercise of lawful governmental action. The injured party has no right of action by virtue of the fifth amendment and has no remedy at all unless same is provided by statute (*Bedford* v. *United States* (192 U. S. 217–224)).

In the *Legal Tender cases* (79 U. S. 457) the Supreme Court said:

"There is a well-recognized distinction between the expectation of the parties to a contract and the duties imposed by it. * * * Were it not so, the expectation of results would be always equivalent to a binding engagement that they should follow. * * * Nor can it be truly asserted that Congress may not, by its action, indirectly impair the obligations of contracts, if by the expression be meant rendering contracts fruitless, or partially fruitless. Directly, it may pass a bankrupt act, embracing past as well as future transactions. This is obliterating contracts entirely."

In *Monongahela Navigation Co.* v. *United States* (148 U. S. 312) the question presented was whether just compensation for the taking of the franchise to exact tolls, which franchise had previ-

ously been granted to the company by a State, must be paid by the United States when, in the exercise of the right of eminent domain, the lock and dam erected by the company was appropriated and taken over by the United States.

The Supreme Court said (p. 327):

"By this legislation, Congress seems to have assumed the right to determine what shall be the measure of compensation. But this is a judicial and not a legislative question. The legislature may determine what private property is needed for public purposes—that is a question of a political and legislative character; but when the taking has been ordered, then the question of compensation is judicial. It does not rest with the public, taking the property, through Congress or the legislature, its representative, to say what compensation shall be paid or even what shall be the rule of compensation. The Constitution has declared that just compensation shall be paid, and the ascertainment of that is a judicial inquiry."

The Court also said (p. 328):

"What amount of compensation for each separate use of any particular property may be charged is sometimes fixed by the statute which gives authority for the creation of the property; sometimes determined by what it is reasonably worth; and sometimes, if it is purely private property devoted only to private use, the matter rests arbitrarily with the will of the owner. In this case, it being property devoted to a public use, the amount of compensation was subject to the determination of the State of Pennsylvania, the State which authorized the creation of the property. The prices which may be exacted under this legislative grant of authority are the tolls, and these tolls, in the nature of the case, must enter into and largely determine the matter of value. * * * So, before this property can be taken away from its owner, the whole value must be paid; and that value depends largely upon the productiveness of the property, the franchise to take tolls."

The Court further said (p. 337):

"And here it may be noticed that, after taking this property, the Government will have the right to exact the same tolls the navigation has been receiving. It would seem strange that if by asserting its right to take the property, the Government could strip it largely of its value, destroying all that value which comes from the receipt of tolls, and, having taken the property at this reduced valuation, immediately possess and enjoy all the profits from the collection of the same tolls. * * * Much reliance is placed upon the case of *Bridge Co.* v. *United States* (105 U. S. 470). But that was a case not of the taking, but of the destruction of property."

After referring to the facts in the Bridge case, showing that Congress had merely destroyed the right of the bridge company to maintain the bridge, but there was no taking of private property for public uses, the Court pointed out in the Monongahela case there was no attempt to destroy property and there was simply a case of taking by the Government for public uses of the private property of the Navigation Co. The Court said (p. 341):

"Such an appropriation cannot be had without just compensation, and that, as we have seen, demands payment of the value of the property as it stands at the time of taking."

After the World War many contracts between the Government and private parties were canceled pursuant to authority of various acts of Congress authorizing such cancelation by the Executive. In *Omnia Commercial Co.* v. *United States* (261 U. S. 502) it was shown that extremely valuable contract rights vested in the Omnia Co. prior to the entry of the United States into the war had been destroyed by the Government's requisition of the entire output of the United States Steel Corporation. The opinion of the Supreme Court in that case illustrates the difference between "the taking" of property as protected by the fifth amendment and the "destruction" of property (contract) rights by governmental action. The Supreme Court said (p. 513):

"There is nothing in *Monongahela Navigation Co.* v. *United States* (148 U. S. 312) or in the other cases cited by the appellant which in any way conflicts with what we have said."

In the case of *Russell Motor Car Co.* v. *United States* and the case of *Freygang* v. *United States*, decided by the Supreme Court the same day the *Omnia Commercial case* was decided (261 U. S. 514), the question presented was whether the just compensation to be paid by the United States when it canceled its own contracts include the prospective profits the contractor might have earned if permitted to fully perform the contract. The claimant's brief filed in the Supreme Court urged that their right to claim the loss of profits was established by the Monongahela decision. In denying this contention the Court said (p. 523):

"This contention confuses the measure of damages for breach of contract with the rule of just compensation for the lawful taking of property by the power of eminent domain. In fixing just compensation the Court must consider the value of the contract at the time of its cancelation, not what it would have produced by way of profit for the Car Co. if it had been fully performed."

In the later case of *Barrett Co.* v. *United States* (273 U. S. 227), the Supreme Court said:

"Just compensation for canceling a contract requires the contractor shall be made whole and recover the expenditures necessary to perform the contract. * * * The contract in fixing the elements of the price per gallon of Xylol speaks of adding 6.6 cents to cover overhead, profit, and uses of patents; but we are not concerned with profits in this case (citing *Russell Motor Car Co.* v. *United States*, 261 U. S. 516)."

In *Ingram Day Lumber Co.* v. *McLouth* (275 U. S. 471), in discussing the effect of the statutes authorizing the Government to cancel its own contracts, the Supreme Court said (p. 473):

"The statute authorizes the cancelation of the Government's own contracts * * * and just compensation for such cancelation does not include anticipated profits, ordinarily recoverable in an action of assumsit" (citing *Duesenberg Motor Corp.* v. *United States* (260 U. S. 115); *Russell Motor Car Co.* v. *United States* (261 U. S. 514)); "it authorizes also the exappropriation or requisition of private contracts, and in computing the just compensation for these the value of the anticipated performance of the contract may be considered" (citing *Brooks Scanlon Corp.* v. *United States* (265 U. S. 106, 125)).

The United States cannot be sued in any court without express authority of Congress, and when it consents to be sued the act is jurisdictional and must be strictly followed (*Louisiana* v. *McAdoo* (234 U. S. 627); *United States* v. *Pfitsch* (256 U. S. 547)).

The right to sue the United States is given by section 145, Judicial Code, conferring jurisdiction on the Court of Claims to entertain suits, and by section 24, paragraph 20, Judicial Code (Tucker Act), authorizing suits against the Unted States in the district courts.

In *United States* v. *Babcock* (250 U. S. 328–331), the Supreme Court said:

"These general rules are well settled: That the United States when it creates rights in individuals against itself is under no obligation to provide a remedy through the courts; that when a statute creates a right and provides a special remedy, that remedy is exclusive."

The principle applicable to all Government cancelation cases was well stated by the Court of Claims in *Meyer Scale & Hardware Co.* v. *United States* (57 C. C. 26), where it was said:

"If it should be said that the contract gave the contractor the right to perform the entire contract with resultant profit, the answer would be that the contract, necessarily with the consent of the contractor, gave the Government the right to terminate it at any desired stage during its performance, as a result of which any further rights thereunder, with resultant advantage to the contractor by way of profits, ceased. At that point, as by a distinct line of demarcation, the future is separated from the past and adjustment of rights on the basis of just compensation to the contractor has its proper field of operation behind and not beyond that line."

From the foregoing decisions the following principles are clear:

First. When the United States takes and uses private property, whether such property is tangible or is merely a contract right, the fifth amendment requires that just compensation be paid to the individual whose property has been taken and used. However, the injured party will have no redress against the United States in the courts except in the manner in which Congress has permitted suits to be brought against the United States.

Second. When the Government cancels its own contract, if such cancelation is a wrongful breach, the courts would compel the United States to respond in damages in the same way a private individual would have to respond for wrongful breach of his contract. (See *Purcell Envelope Co. case*, 249 U. S. 313.)

Third. When the United States, by authority of an act of Congress, cancels its own contracts and provides that just compensation may be recovered therefor, the claimant may not recover for the loss of profits he might have earned if permitted to further perform the contract, but is limited to recovery for what has been done and for the expenditures he has made in preparing to perform the contract.

Fourth. Since Congress may permit suit against the United States or withhold such permission at its pleasure, it would not be unconstitutional for the Congress to deny jurisdiction to the Court of Claims and to the district courts of the United States to award more than just compensation for cancelation of the mail contracts.

Fifth. An act of Congress limiting the jurisdiction of the Court of Claims and of the district courts to just compensation in such cases and declaring that just compensation shall not include loss of prospective profits on mail contracts is merely a restating by statute what the Supreme Court of the United States has already declared to be the law, namely, that when contract rights are destroyed by governmental action, and recovery therefor is permitted by Congress, such recovery is limited to just compensation, and such just compensation does not include loss of profits.

Mr. LEHLBACH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know why I should occupy the anomalous position of defending the President's position and interpreting it on the floor of the House. May I say, however, that he wants this kind of legislation and I believe it is for the best interest of the country. For that reason I am trying, with the majority of the committee, including the Chairman of the Merchant Marine and Fisheries Committee, to follow out what I conceive is the President's wish and the best interest of the merchant marine, which means the material interest of our country.

The President requested the Congress to place in his hands the control of the mail contracts. In the Independent Offices Appropriation bill a section was placed which gave to the President the right to deal with these contracts

as he sees fit; that is, cancel, modify, or do what he thought was in the best interests of the country in connection with those contracts. The President asked a month ago that this right be exended from June, when it expired, to October 31. The Congress passed a joint resolution extending the right to the President to deal with these contracts. The President wanted the act extended to October 31 in anticipation of the passage of this bill in order that, with the aids granted in this bill, he might do justice with respect to the existing mail contracts. He does not want the Congress to take this right from him and do anything at all with those mail contracts. I stand here in opposition to the amendment offered by the gentleman from Ohio, and in support of the President of the United States and his expressed wish in this matter.

[Here the gavel fell.]

Mr. WEARIN. Mr. Chairman, I move to strike out the last word.

Mr. LEHLBACH. Mr. Chairman, I object to a further speech by the gentleman from Iowa [Mr. WEARIN].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The amendment was rejected.

The Clerk read as follows:

SEC. 303. (a) The Authority is hereby authorized, when directed by the President under section 5, as amended, of the Independent Office Appropriation Act, 1934, to negotiate with the holder of any contract in force under title IV of the Merchant Marine Act, 1928, for the cancelation or modification of such contract, and the substitution therefor, in whole or in part, of a direct subsidy contract or contracts under title V of this act, and if the terms and conditions of such cancelation or modification and substitution are approved by the President, to consummate the same.

(b) If it is impossible to negotiate the cancelation or modification, and substitution provided for in subsection (a) of this section, the Authority shall report such fact to the President, together with such recommendations in respect thereof as it deems advisable. If no such cancelation or modification, and substitution is effected by the Authority under subsection (a) of this section, or if no cancelation or modification is effected by the President under section 5, as amended, of the Independent Offices Appropriation Act, 1934, no application from the contractor for any benefits under title V of this act shall be considered by the Authority unless such application shall have been approved by the President. In case such application is approved by the President, however, or in case a cancelation or modification is effected by the President under section 5, as amended, of the Independent Offices Appropriation Act, 1934, and the contractor receives just compensation therefor, and applies for any benefits under title V of this act, the Authority shall consider the extent to which differences between domestic and foreign construction, reconditioning, or operating costs are reflected in payments under such contract, or in such just compensation received in respect of the modification or cancelation thereof.

Mr. WEARIN (interrupting the reading of the section). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WEARIN. I desire to inquire of the Chair whether or not amendments to these sections should be offered as the subsections are read or should be offered at the conclusion of the reading of the section.

The CHAIRMAN. When the entire section has been read, amendments may be offered to any part of the section.

Mr. WEARIN. Then it is not in order to offer the amendment at this time which I have on the Clerk's desk.

The CHAIRMAN. An amendment to the paragraph just read is not in order at this time.

The Clerk concluded the reading of the section.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

Mr. BLAND. Mr. Chairman, if the gentleman will permit, I should like to make a statement. Lest there be some misunderstanding, I may state that I am going to move that the Committee rise, because the Speaker has stated that a gentleman has a report that he wants to get in this afternoon. For this reason I am going to move that the Committee rise and then, after the report is filed, I shall immediately move to go back into Committee.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 8555, had come to no resolution thereon.

PUBLIC UTILITY HOLDING COMPANY BILL

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent that during the current legislative day I may have unanimous consent to file an additional report on the public utility holding company bill so that it may go to the Printer tonight.

The SPEAKER. The gentleman from Indiana asks unanimous consent to file an additional report upon what is known as the "public utility holding company bill." Is there objection?

There was no objection.

MERCHANT MARINE ACT, 1935

Mr. BLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8555.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8555, with Mr. MAY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Iowa offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Strike out section 303 and insert in lieu thereof the following:

"SEC. 303. Within 60 days from the date of the passage of this act, the present holder of any of such contracts may file an application with the Authority to receive the benefits of the provisions of this act. Notwithstanding any other provisions of law, the Authority may consider and grant or deny such application if such mail contractor meets all the requirements of this act, including requirements of the Authority as to capitalization and the construction and placing in service of such new vessels which the Authority may find necessary to aid in carrying out the purposes of this act.

"If said application should be approved, in whole or in part, at or prior to the time of the making of a new contract, the Authority shall adjust all differences with such contractor, including any claims of the contractor against the United States or of the United States against such contractor, arising out of its foreign ocean-mail contract, and such mail contract shall be canceled by mutual consent of such contractor and the United States. In adjusting such differences and claims, the Authority shall not take into consideration any prospective or speculative future profits, but shall consider any and all payments theretofore made by the United States pursuant to such mail contract and the profits realized as a result thereof."

Mr. WEARIN. Mr. Chairman, the amendment which I have offered contains a similar provision to the one offered to the preceding section with reference to the protection of the public from the standpoint of the matter of claims filed in the Court of Claims against the United States Government, and provides a method by which existing contractors are able to transfer their mail contracts and assume the obligations proposed under this bill, and in so doing they naturally waive their rights, or at least they should waive their rights, to recover against the United States Government on the portion of their contracts that have not yet matured. This argument I have advanced to the previous amendment offered to this same title and it is a provision that will protect the Public Treasury from attempted vast raids in the form of suits against the United States for the unmatured portions of the contracts under the 1928 act and the amendment certainly should be adopted for the protection of the public interests.

In concluding this argument on this section I want to quote what the President has to say about this. We have been hearing a good deal about what the President wants and what he does not want. I read his message this way, for the reason he sent it up here printed in the English language. In this message he said:

In setting up adequate provisions for subsidies for American shipping the Congress should provide for the termination of existing ocean mail contracts as rapidly as possible.

This is exactly what I have been trying to do in the amendments that have been offered to this bill, and it is

exactly what the pending bill does not do because it permits them to be continued until the end of the existing contracts unless the President himself wants to effect the cancelation rather than the Congress, as he has requested in this message.

This is the reason these amendments have been offered and I trust they will be adopted in order to protect us from severe and serious suits brought against the United States Government as demonstrated prior to this time by some of the shipping interests that now have suits pending against us for similar claims.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

We are trying to accomplish much the same end, but in a different way. I read the message of the President and I find nothing in the language which the gentleman has read with reference to cancelation. The President said:

In setting up adequate provisions for subsidies for American shipping the Congress should provide for the termination of existing ocean mail contracts as rapidly as possible.

Mr. WEARIN. Will the gentleman yield?

Mr. BLAND. Not just now. There is not one single word about cancelation—cancelation power rests in the President, given him by section 5 of the act of 1933.

Mr. WEARIN. The gentleman understands that I read a sentence from the President's message.

Mr. BLAND. And I read the same sentence providing for the termination. We have provided for the termination here by letting the authority with the President's consent without adjustments and so terminate the ocean mail contracts.

If this bill passes, the President at any time down to June 30, 1936, may cancel the contracts.

The gentleman from Iowa says that provision should be made for these contractors coming in for contracts under this bill. We have a provision that these people may have an operating differential. They may apply as a matter of right when adjustments are made. We are not imposing any additional responsibility on the President. We are continuing the responsibility which Congress placed on him, and which he may desire to exercise. We are continuing the responsibility where Congress placed it for the protection of the American people. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. WEARIN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend section 401 by striking out the following words, beginning on line 7, page 15: "If it deems it necessary to effectuate the purposes and policy of this act."

Mr. WEARIN. Mr. Chairman, the safeguards mentioned in this section contain weasel words and weasel phrases that are going to result in defeating the purposes of this act and the intent of Congress to establish an adequate merchant marine. Here is an excellent example on page 15 of the bill, where the authority is permitted to require the construction of new ships as we want under this title, referring to construction subsidy:

If it deems it necessary to effectuate the purposes and policies of this act.

But if it does not it can go on and pay the subsidies provided for in the bill without in any manner affecting the public interest to the extent of developing an adequate merchant marine, and if we want a merchant marine then let us so write the bill that there will be no question but that we will be assured of the development of said merchant marine through the agency of building ships. Surely the shipping interests that have been so active in behalf of this bill and who are going to benefit to an almost unlimited extent, ought to be required to deliver the goods, otherwise the taxpayers' money will again be wasted.

Mr. BLAND. Mr. Chairman, I rise to oppose the amendment. It is vesting in the authority the necessary discretion with reference to this replacement policy, and they will determine on the contract just how far they may go in requiring additional vessels in the future at the time the contract is made.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

SEC. 402. (a) In case any new vessel is constructed, pursuant to any contract under title V of this act or with the aid of a construction loan under section 11, as amended, of the Merchant Marine Act, 1920 (U. S. C., Supp. VII, title 46, sec. 870), to replace any vessel in use in foreign or coastwise trade, which in the judgment of the Authority is old, slow, or otherwise inadequate or obsolete for the service in which engaged, the Authority is authorized in its discretion to buy such replaced vessel from the owner at a reasonable value (which in no case shall exceed the cost to the owner plus the expense of reconditioning, and of improvements to, such vessel, less a reasonable and proper depreciation, and a proper deduction for obsolescence, thereon), and apply the purchase price to that part of the cost of the construction of such new vessel to be borne by the owner.

(b) The Authority may, upon such terms and conditions as it may consider proper, authorize the exchange of any merchant vessel owned by the United States Government for a vessel documented under the laws of the United States and owned by a citizen of the United States. Any vessel acquired under this section shall be held in the care and custody of the Secretary of Commerce, and be subject to sale, charter, or operation under the provisions of existing law. The Secretary of Commerce may scrap or sell for scrapping any vessel in his custody on the date of the enactment of this act, or thereafter placed therein, if in his judgment it is of insufficient value for commercial or military operation to warrant its further preservation.

(c) No vessel acquired under this section shall be sold or chartered for use, or placed in a service, route, or line which in the judgment of the Authority is adequately served by vessels documented under the laws of the United States.

Mr. MORAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MORAN: "Strike out all of section 402, title IV, beginning on line 14, page 15, and ending on line 21, page 16."

Mr. MORAN. Mr. Chairman, there are two very interesting points in section 402 that I desire to call to the attention of the Members of the House. The first point is that the United States Government will have the privilege of buying back obsolete vessels. A great deal has been said here this afternoon about subsidies granted by other nations. Let us take one of them in comparison with this very section. Does Great Britain, for example, which country has been mentioned here this afternoon as paying great subsidies to its merchant marine, buy the obsolete ships? Not at all. Instead, it requires the owner himself to scrap at his own account and not at the expense of the British Government. That is one difference which is important from the standpoint of the Treasury. There is another difference. The British require applicants for loans to scrap two tons of old obsolete tonnage for every ton on which they receive a new construction loan.

The second point is to be found at the top of page 16—

and apply the purchase price to that part of the cost of the construction of such new vessel to be borne by the owner.

Again, we have the opportunity, as I pointed out this afternoon, to allow some old obsolete tubs to be handed in to the United States Government, on the payment of the new ship, and as illustrated this afternoon, that might even take care of practically all of the initial payments by the applicant for any ship, because on a million-dollar ship these contractors have spent only an initial expenditure of $150,000. The Government under this bill is going to give the shipbuilder $400,000 on a million-dollar ship.

Mr. LEHLBACH. Mr. Chairman, the only reason that the provision was written in this bill to allow an owner to turn in an obsolescent ship was not as a matter of advantage to the owner of that ship, but to bring that tonnage under the direct control of the maritime authority. It is provided in the next paragraph that any ship acquired under this section shall be held in the care and custody of the Secretary of Commerce and be subject to sale, charter, or operation under provisions of existing law, or the Secre-

tary of Commerce may scrap or sell for scrapping any vessel in his custody so acquired. The Secretary of Commerce can, in his judgment, do precisely what the owner of the vessel might do with that vessel if he retained it in his control, and the maritime authority will not allow any owner of a vessel so turned in one penny more than he can realize out of that vessel, which the owner on his own account could have realized. It is only that the title to that ship and its control and disposition shall be in the hands of the maritime authority and not in the hands of the owner, who might allow it to be turned into channels where it would be detrimental to the best interest of the mercantile marine and our foreign commerce. It is not a matter of money, it is merely a matter of giving the Government control of the obsolete ship. The amendment should be defeated.

Mr. WEARIN. Mr. Chairman, I rise to make this brief statement. There is a provision in the bill, page 15, section 402 (a), the section this amendment applies to, wherein the language reads as follows:

Which in no case shall exceed the cost to the owner.

That means from the standpoint of determining the cost to Uncle Sam of the ship that is going to be turned in to the United States Government to junk. Did you ever stop to think that the owner himself who sells it to the Government may not have been the original owner, that the ship may have changed hands several times before it reached the owner who makes the sale to the United States Government? In other words, just keep this before you, that in cases where we have sold ships to the present operators at a fraction of their value it is not impossible to conceive that they might have resold the same ship some three or four times at an appreciation in value, and that will be the price of the junk that will be cashed in on the taxpayers unless this amendment is agreed to.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment. It is impossible to conceive that the President of the United States would appoint such a set of crooks as the maritime authority would be if they should permit any such condition to arise or any such condition to exist. All in the world we say is that where the maritime authority finds it is better to buy in these old, obsolete ships and retain them or scrap them, it shall have the authority to do it. An important point is that the operating differential on a new ship would be much less than on an old ship. The fuel cost on a new ship is much less. A modern ship can be operated much more economically. Furthermore, it is important for relief of unemployment. No greater relief could be given to the people of this country than in the building of ships. A building program of this character will put people to work in every State in the United States.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Maine [Mr. MORAN].

The question was taken; and on a division (demanded by Mr. MORAN) there were—ayes 18, noes 50.

So the amendment was rejected.

Mr. ANDREWS of New York. Mr. Chairman, I ask unanimous consent that the bill be considered as having been read for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ZIONCHECK. Mr. Chairman, I object.

The Clerk read as follows:

SEC. 502. (a) If the Secretary of the Navy certifies his approval under section 501 (b) and the Authority approves the application, it may—

(1) Subject to the provisions of section 504, secure, on behalf of the applicant, bids for the construction or reconditioning of the proposed vessel according to the approved plans and specifications;

(2) If the bid of the shipbuilder who is the lowest responsible bidder is determined by the Authority to be fair and reasonable, approve such bid, and insofar as necessaray to protect the interests of the United States, become a party to the contract or contracts or other arrangements for the construction or reconditioning of the proposed vessel by such shipbuilder;

(3) If such bid is approved by the Authority and accepted by the applicant, agree to pay to such shipbuilder, on behalf of the applicant, pursuant to the provisions of subsection (c) of this section, a construction subsidy in an amount determined by the Authority in accordance with the provisions of subsection (b) of this section;

(4) If the applicant is eligible and applies therefor, grant a construction loan to such applicant in accordance with section 11, as amended, of the Merchant Marine Act, 1920 (U. S. C., Supp. VII, title 46, sec. 870), subject to the provisions of subsection (c) of this section.

(b) The amount of the construction differential subsidy shall equal, but not exceed, the excess of the bid of the shipbuilder constructing or reconditioning the proposed vessel pursuant to the provisions of subsection (a) (2) of this section, over the fair and reasonable cost, as determinined by the Authority, of the construction or reconditioning if the proposed vessel were constructed or reconditioned under like plans and specifications (but not including the changes made therein pursuant to the provisions of section 501 (b)) in a principal foreign shipbuilding center, which is availed of by any of the principal foreign competitors in the service in which the vessel is to be operated, and which is deemed by the Authority to furnish a fair and representative example for the determination of costs of construction or reconditioning in foreign countries of vessels of the type proposed to be constructed or reconditioned.

(c) The construction subsidy shall be paid out of the construction-loan fund created by section 11, as amended, of the Merchant Marine Act, 1920, or out of other available funds, to the shipbuilder ratably with the payments made by the applicant, or otherwise, as the Authority may determine. In case a construction loan is granted to the applicant, such loan shall not be for a sum greater than three-fourths of the foreign cost of construction or reconditioning as determined by the Authority under subsection (b) of this section, and no advance shall be made on such loan until the applicant has paid to the shipbuilder not less than 25 percent of such foreign cost. In case a construction loan is made for the reconditioning of any vessel, it shall be repaid within a predetermined period, which shall not exceed the life expectancy of the vessel after such reconditioning.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 502 (b) by adding thereto after the word "reconditioned" on line 5, page 20: "In computing the construction differential subsidy, the Authority shall take into consideration that amount which would be required to place the vessel in operation at a point equal in advantage to that point where it will be placed in operation by such American shipyard."

Mr. WEARIN. Mr. Chairman, that is merely a correcting amendment in one sense of the word. All it does is provide for the consideration of the differential in bringing the ship from one point to the point of service, where it is to begin operation. That matter is of importance to the shipbuilder as it is to the operator. Consequently I recommend to the Congress that this matter be given very careful consideration.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

After the reading of the amendment and the explanation offered by the gentleman from Iowa, who is usually very clear, I fail to understand just what it does mean. I think it is more confusing than otherwise. I do not see why we should take into consideration carrying the vessel to a yard or something like that.

Mr. WEARIN. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. WEARIN. I will try to make myself clear. What I mean is this: In figuring the differential in the cost of construction abroad and the cost of construction at home, we should take into consideration the amount that will be required to transport that vessel from the point of origin or its point of construction to the point where it begins its operation. That charge should not be carried by the Federal Treasury.

Mr. BLAND. It is too refined for me, Mr. Chairman. I think the best thing to do is to defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The amendment was rejected.

Mr. MORAN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MORAN: Amend the first sentence of section 502 (c) to read as follows: "The construction subsidy shall

be paid out of the construction-loan funds created by section 11, as amended, of the Merchant Marine Act of 1920, or out of other available funds to the shipbuilder: *Provided*, That no subsidy payment shall be made to the shipbuilder by the Authority until after the applicant has paid to the shipbuilder not less than 50 percent of the foregoing construction cost of such vessel constructed under part 1 of this title."

Mr. MORAN. Mr. Chairman, the principle of this amendment is to change the condition provided in the bill, that makes it possible for the shipbuilder and operator to obtain a combined gift and grant of $850,000 on a $1,000,000 boat. The foreign cost of an American ship which would cost $1,000,000 to build would be $600,000, if we allow the differentials as they are contended to exist, meaning that $400,000 shall be paid in cash to the shipbuilder. Therefore there is a construction cost, an outlay of cash on the part of the Government paid to the shipbuilder, of $400,000. In addition to that, the shipbuilder can borrow from the Federal Government 75 percent of the foreign construction cost.

Mr. BLAND. The gentleman means the shipowner?

Mr. MORAN. Yes; the shipowner. The foreign cost in this illustration is $600,000. Therefore a loan can be made for $450,000. Thus we have $400,000 and $450,000 or a total of $850,000, total grant and loan by the Government, which equals 85 percent of the American cost of constructing that American ship. Then combined with the previous section pointed out, although only $150,000 needs to be initially put in, a trade-in is possible on an obsolete boat. So it is entirely possible that the initial outlay would be practically nothing for a $1,000,000 boat. I point that out particularly at this time because this is the section that provides that tremendous benefit.

It seems to me such a high-finance scheme as this ought to merit the attention of Congress.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the case of a ship costing $1,000,000, the construction differential would be $400,000. The ship owner, if he wants to borrow, must put up $150,000 in cash. The rest is not a gift from the Government, but is a loan to him with ample security, a loan secured by a first lien on the vessel.

The material purpose of this section of the bill is to prevent a few big lines monopolizing the shipping of the country. The committee very carefully considered the operation of this construction-loan fund. It developed that today there are about six lines which probably could negotiate the construction of their ships without the aid of a construction loan. The result would be that the smaller lines in the South and other places would go out of business, for they could find no means of negotiating a loan for construction. These big companies would become giant monopolies and would concentrate the shipping in such ports as they pleased.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The question was taken; and on a division (demanded by Mr. Moran) there were—ayes 13, noes 49.

So the amendment was rejected.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 502 by adding thereto:

"(d) The Authority shall not extend aid in the construction of a vessel or vessels to more than one line engaged in any one particular foreign service."

Mr. WEARIN. Mr. Chairman, if there has been an amendment offered today that is fair to the taxpayers, this one is, because it provides an express preventative, so to speak, for the Authority to refuse to subsidize more than one line operating in the same service. If Congress wants to subsidize shipping lines operating on the same trade routes in competition with one another, if they want to subsidize lines operating on such routes in that manner and pay the bill in the form of subsidies, in one sense financing a trade war between competing companies, then defeat this amendment. But if you are subsidizing for the purpose of trying to develop a line on a trade route, then certainly you should accept this amendment; and I offer it to the House in good faith.

Mr. LEHLBACH. Mr. Chairman, this is an amendment to the construction provision of the bill, and the gentleman is seeking to prevent the subsidizing of operation of more than one line in the same service or over the same trade route. This is amply taken care of in the bill, specifically and in language as strong as it is possible to write; so this amendment is entirely unnecessary and out of place.

Mr. BLAND. Mr. Chairman, I call attention to the provisions of the construction section of the bill, section 535 (a):

* * * and no contract shall be made with respect to a vessel operated or to be operated in a service, route, or line served by two or more citizens of the United States with vessels of United States registry, if, in the judgment of the Authority, the effect of such a contract would be to give undue advantage or be unduly prejudicial, as between citizens of the United States, in the operation of vessels in competitive services, routes, or lines.

The matter of determining what lines are in competition is a very serious one and ample power has been given the maritime authority to prevent the subsidizing of competing lines.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 15, noes 45.

So the amendment was rejected.

Mr. TRUAX. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty Members are present, a quorum.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend Section 502 by adding thereto:

"(e) Notwithstanding any provisions of section 11, as amended, of the Merchant Marine Act, 1920, no loans shall be made by the Authority for the construction or reconditioning of a vessel or vessels for a period in excess of 15 years."

Mr. WEARIN. Mr. Chairman, the only thing this amendment does is to reduce the number of years over which these particular provisions pertaining to finance shall extend from 20 to 15.

The reason for the amendment is this: The committee has constantly impressed upon the Congress the fact that the average life of a ship is 20 years. This is developed also by the committee in its hearings. Why should we insert in the bill any provision that will extend the financing over a period of time as long as the useful life of a ship? During the latter period of the life of a ship it is depreciating in its producing capacity more rapidly than it does in the forepart of its life.

If the United States Government is to lend the money with which to build these ships, the Government should be repaid during the most productive period of the ship's service on its route. Certainly there can be no reasonable objection to limiting this period to 15 years rather than extending the period to 20 years. This is in the interest of protecting the public in the matter of collection of the loan. We should, by all means, take every precaution to insure the repayment of the proposed loans for shipbuilding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

SEC. 507. When used in this part the terms "construction" and "reconditioning" each include necessary outfitting and equipment.

Mr. WEARIN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend title V by adding thereto:

"SEC. 508. The cumulative net profits in excess of 6 percent per annum of any shipbuilder receiving a contract under this act (dating from the first subsidy contract) shall be subject to recapture by the Authority at the end of each calendar year to the extent of 75 percent of such excess: *Provided*, That the

total recovery by the Authority shall not exceed the cumulative subsidy payments to the shipbuilder: *And provided further*, That the Authority shall prescribe the accounting formula for determining these net profits."

Mr. WEARIN. Mr. Chairman, the sum and substance of this amendment is the recapture clause, which is to protect the public from excessive profits of shipbuilders. I may say that any important program of subsidies should carry with it the feature of recapture. I pointed out in my opening remarks this afternoon with reference to this bill that the subsidies provided for in this act have practically no limitation, if any, upon the amounts that may be recommended to be paid by the authority. This includes the construction subsidy, the operating subsidy, and the penetration subsidy.

It is of vital importance, therefore, to the American public who are paying the bills to have a recapture clause incorporated in this section and in every section which provides for benefits to shipbuilders. I insist, Mr. Chairman, that we give this matter our utmost and careful consideration; because if we are going to pay operating subsidies, if we are going to pay construction subsidies, if we are going to pay trade penetration subsidies and place no limitation upon them, and place no boundary line beyond which the authority may proceed, then certainly we ought to protect the public by the insertion of a provision for the recapture of any excessive profits that might be made at the expense of the American people.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment is not confined to the recapture profits on ships built with the aid of subsidies but extends to all construction work. The amendment makes no distinction. The subsidy is a differential, as I have previously explained, and the issuance of the contract is protected. The work must be submitted to competing bids. The companies must submit their estimates. They are required to submit the bids of the subcontractors. The authority may call for all the information it desires as to the bids that are sent in. In addition there is a limitation against collusion and the shipyards are required, as well as the contractors, to keep their books according to forms that are prepared and submitted by the authority.

The authority can get all of this information at any time. It may call for the books and subpena the witnesses. It may examine the books of the competing yards and find out if there is any collusion or any unreasonable profit in connection with the bid.

Mr. Chairman, if there are not safeguards thrown around the bids in this bill, I do not know any way in which the bids could be safeguarded.

The CHAIRMAN (Mr. SCHAEFER). The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 17, noes 54.

So the amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word. I should like to ask the Chairman of the Merchant Marine and Fisheries Committee or some member of the committee a few questions. Has a calculation been made as to how much this construction differential is going to cost the Government per year?

Mr. BLAND. That would be impossible to tell, because it depends on the character of ships to be built as well as the number of ships to be built. On an 8,000 gross cargo ship there would be a differential of about $400,000.

Mr. BIERMANN. In this calculation, what construction differential is taken, England or Japan?

Mr. BLAND. That gave us the great trouble. As a matter of fact, however, it appears that there may not be as much difference between England and Japan as we supposed. The evidence was presented to our committee that France, I think it was, called for the construction of several ships. They submitted the bids to Japan and Great Britain, and Great Britain got the job. The theory is that Japan does not have the raw material and has to bring it in from abroad. We have guarded against that in this bill by requiring and empowering the authority to take into consideration the principal yards in the country from which the principal competitors come. As a matter of fact, to be fair with the gentleman, I think Great Britain is going to be the measure.

Mr. BIERMANN. Can the gentleman tell us how much the Jones-White Act of 1928 has cost the Government to date?

Mr. BLAND. That is set forth in the papers accompanying the President's message.

Mr. BIERMANN. It is in the report?

Mr. BLAND. Yes. If the present contracts should continue, there will have been paid a total of $308,000,000, and there has been already paid by the Post Office Department $119,000,000. I am speaking in round figures. The reports accompanying the President's message present the facts.

Mr. BIERMANN. Has the Jones-White Act assisted in enlarging our merchant marine?

Mr. BLAND. No; it has not. It has helped to give us some good ships, but they came into operation shortly before the depression, and with the depression came attacks on that policy. Owners were discouraged in building. In addition, I may say that I have come to the conclusion that the provisions for inflexible subsidies covering a long period of time is fundamentally unsound.

Mr. BIERMANN. Is there at the present time a crying shortage of merchant-marine ships with which to carry American goods?

Mr. BLAND. Yes; and the United States will be off the seas in about 7 years. If the gentleman will look at the report which I filed, he will note that fact.

Mr. BIERMANN. The gentleman calculates that this act will do for our merchant marine what the Jones-White Act did not do.

Mr. BLAND. I firmly believe so.

Mr. BIERMANN. Can the gentleman use the rest of my time and tell us what the difference is?

Mr. BLAND. I have tried to show that in the report.

[Here the gavel fell.]

The Clerk read as follows:

PART II—OPERATING DIFFERENTIAL SUBSIDY

SEC. 521. (a) Any citizen of the United States may make application to the Authority for an operating differential subsidy to aid in the operation of a vessel or vessels in a service, route, or line in the foreign commerce of the United States determined to be essential under section 204 (a) of this act. No such application shall be approved by the Authority unless it determines that:

(1) The operation of such vessel or vessels in such service, route, or line is required to meet competitive conditions or to promote the foreign commerce of the United States, and that such vessel or vessels have been documented under the laws of the United States not later than April 1, 1935, or constructed in shipyards within the continental United States after such date.

(2) The applicant owns, or can and will build or purchase, a vessel or vessels of the size, type, speed, and number, and with the proper equipment, required to enable him to operate and maintain the service, route, or line in such manner as may be necessary to meet competitive conditions, and to promote foreign commerce.

(3) The applicant possesses the ability, experience, financial resources, and other qualifications necessary to enable him to so conduct the proposed operations of the vessel or vessels as to meet competitive conditions and promote foreign commerce.

(4) The granting of the aid applied for is necessary to place the proposed operations of the vessel or vessels on a parity with those of foreign competitors, and is reasonably calculated to carry out effectively the purposes and policy of this act.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 521 (a) (1), line 14, page 26, by striking out "April 1, 1935" and substituting therefor "February 1, 1928."

Mr. WEARIN. Mr. Chairman, the avowed purpose of this bill, according to its proponents, is to benefit shipbuilders and ship operators from the standpoint of developing a merchant marine; and if we have incorporated in this bill a provision which will permit foreign ships, such as the *Belgenland*, to be transferred from a foreign flag to the American flag in a short period of time, let us say a few months, then certainly we are defeating the very purpose of the bill in developing an American-built, American-

operated merchant marine. I insist that it is unfair to permit such an abuse of a subsidy bill as drawn and introduced here and require the taxpayers of this country to subsidize a ship built in a foreign yard and transferred to the American flag within a brief period of time, less than a year. For this reason we should set this date back far enough to exclude, to be specific, the *Belgenland*.

Mr. LEHLBACH. Mr. Chairman, the gentleman has referred to the *Belgenland* with respect to this proposition. The *Belgenland*, I believe, is now called the "*Columbia*", and flies the American flag.

This is the situation which the gentleman complains of which is made possible by the bill as drawn. The United States Lines, the foremost and only passenger competitor of the United States with the French, the Italian, and the British, have two first-class ships in service, the *Manhattan* and the *Washington*. Applications for passage on these ships exceed the room there is on them. If this bill is passed as it is drawn it is possible for the United States Lines to use the *Columbia* for the overflow of Americans who want to ride on American ships and conserve this patronage for the American lines during the period only that is necessary to elapse before a new ship, built in an American yard under the provisions of this bill, can be added to the service of the *Manhattan* and the *Washington*.

If the amendment of the gentleman from Iowa prevails the result will be that the Americans who want to sail under the American flag on the *Washington* and on the *Manhattan*, and for whom there is no room, will have to travel on foreign ships, and having become patrons of foreign ships they may in the future continue to patronize them. If we let this gap be filled up with the *Columbia* until a new *Washington* or a new *Manhattan* is ready for the service, then we retain this American patronage and continue to serve these Americans who want to sail on American boats. This is the issue that is involved here and you can determine it as you see fit.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. HOFFMAN. How much does it cost the Government to enable these Americans to ride on the *Columbia* instead of on the other ship?

Mr. LEHLBACH. I do not know. It is precisely the difference that it will cost for the period that the *Columbia* is temporarily running, to pay American seamen over what it costs to pay European seamen and the cost of American materials over and above the cost of foreign materials. This will be the cost.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken and the amendment was rejected.

The Clerk read as follows:

SEC. 522. (a) If the Authority approves the application, it may enter into a contract with the applicant for the payment of an operating differential subsidy determined in accordance with the provisions of subsection (b) of this section, for the operation of such vessel or vessels in such service, route, or line for a period not exceeding 20 years, and subject to such terms and conditions, consistent with this act, as the Authority shall require to effectuate the purposes and policy of this act.

(b) Subject to the provisions of subsection (e) of this section, the amount of the operating differential subsidy shall not exceed the excess of the fair and reasonable cost of insurance, maintenance repairs, wages and subsistence of officers and crews, and any other items of expense (excluding shore expenses) in which the Authority may deem that the applicant is at a substantial disadvantage in competition with vessels of the foreign country hereinafter referred to, in the operation under United States registry of the vessel or vessels covered by the contract, over the estimated fair and reasonable cost of the same items of expense (after deducting therefrom any estimated increase in such items necessitated by changes made pursuant to the provisions of section 501 (b)) if such vessel or vessels were operated under the registry of a foreign country whose vessels are substantial competitors of the vessel or vessels covered by the contract.

(c) The amount of such subsidy shall be determined and payable on the basis of a final accounting made as soon as practicable after the end of each year or other period fixed in the contract. The Authority may provide for in the contract, or otherwise approve, the payment from time to time during any such period of such amounts on account as it deems proper. Such payments on account shall in no case exceed 75 percent of the amount estimated to have accrued on account of such subsidy, and shall be made only after there has been furnished to the Authority such security as it determines to be reasonable and necessary to insure the refund of any overpayment.

(d) No such subsidy shall be paid in respect of any vessel for any time during which it is engaged exclusively in coastwise trade, and in case it is engaged in joint coastwise and foreign trade the subsidy shall not exceed an amount which bears the same ratio to the subsidy otherwise payable as the gross revenues derived from the foreign portion of such joint coastwise and foreign trade bears to the gross revenues derived from all portions of such joint trade. No vessel operating on the Great Lakes or on the inland waterways of the United States shall be considered for the purposes of this part to be operating in foreign trade.

(e) In any case where the contractor shows to the satisfaction of the Authority, and the Authority after investigation so finds and declares of record, that for any year or other period the operating subsidy as above provided for is inadequate to offset the effect of governmental aid or subsidies paid to foreign competitors, the Authority may adjust the operating subsidy to such extent as is necessary to accomplish the purposes and policy of this act.

Mr. RAMSPECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 29, after line 16, add a new paragraph, as follows:

"(f) In the operation of any vessel for which an operating differential subsidy is paid under this part, the Authority may require that the contractor shall use only articles, materials, and supplies of the growth, production, or manufacture of the United States, except when it is necessary to purchase supplies and equipment outside the United States to enable said vessel to continue and complete a voyage."

Mr. RAMSPECK. Mr. Chairman, this amendment is merely permissive and gives authority to the maritime authority, set up under this act to require that persons operating ships and operating subsidies, shall use materials and equipment of the growth and manufacture of the United States. I do not think the committee has any objection to this amendment; we discussed it in the committee, and we were sympathetic, but at that time had not worked it out.

Mr. BLAND. The committee will accept the amendment.

The question is on the amendment offered by the gentleman from Georgia.

The question was taken and the amendment was agreed to.

Mr. MORAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Eliminate section 522 (e) by striking out lines 9 to 16, inclusive, page 29.

Mr. MORAN. Mr. Chairman, paragraph (e) provides that where the authority after investigation finds that the operating subsidy is inadequate to offset the effect of government aid the authority may adjust the operating subsidy to such an extent as is necessary to accomplish the purposes of the act. It is clear that that part of the section adjusts only upward. Paragraph (c) of the same section seeks to meet this ambiguity. It seems that if under paragraph (c) it is determined what should be the proper subsidy, and it can be adjusted upward or downward, then we do not need section (e). On the other hand, if we do need section (e) to adjust upward we need the language provided in this amendment to permit an adjustment downward if an excessive subsidy allowance has been made.

Mr. BLAND. Mr. Chairman, the matter was investigated by the authority, and this is only to meet the provision of the President to take care of additional subsidies. If the Government should run onto some subsidy that ran things up, this provision is intended to meet that subsidy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

SEC. 524. Any contract executed under this part may be canceled by the Authority for repeated and intentional violations of such contract for this act. The Authority may impose appropriate penalties for violations of such contract, this act, or rules and regulations prescribed pursuant thereto, not to exceed $500 for each offense, which shall be deducted from subsidy payments. The Authority may, in such circumstances and subject to such conditions as it deems reasonable, mitigate or remit such penalties.

Mr. WEARIN. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. MICHENER. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eleven members present, a quorum. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend section 524 by eliminating the last sentence beginning in line 23, page 30, which reads as follows:

"The Authority may, in such circumstances and subject to such conditions as it deems reasonable, mitigate or remit such penalty."

Mr. WEARIN. Mr. Chairman, this section deals with repeated and intentional violations on the part of the contractors who are operating under this subsidy bill. Then it proceeds down at the last sentence of the section to say that the authority in such circumstances and under such conditions as it deems reasonable may mitigate and remit such penalty. In other words, it is turning the criminals loose. That is the size of the whole situation, no matter what portion of the paragraph the concluding sentence may refer to. The only people I can visualize who will be favorable to that will be contractors under this provision who are apt to be guilty of repeated and intentional violations of the terms of their contract, and want them mitigated by the authority in charge of the administration of the act.

No doubt such a section, of course, would meet with the entire approval of the American Steamship Owners' Association. Certainly we do not want to write into law a provision that the authority or any department of the Government can set aside penalties that are set out in the proposed bill as being necessary for the proper enforcement of such an act.

Mr. BLAND. Mr. Chairman, I am surprised that, with his usual clarity, the gentleman should have made this mistake. The first sentence of the section provides that any contract may be canceled by the authority for repeated and intentional violations of the contract or of this act, and then the section provides that the authority may impose appropriate penalties for other violations of rules and regulations. The authority is given power to remit these later penalties—an entirely different situation from that described by the gentleman from Iowa.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. ANDREWS of New York. Mr. Chairman, I ask unanimous consent that the remainder of the bill may be considered as having been read for amendment.

The CHAIRMAN. Is there objection?

Mr. ZIONCHECK. Mr. Chairman, I object.

The Clerk read as follows:

SEC. 527. No contractor under a contract for aid in force under this part shall suffer or permit any insurance, stevedoring, terminal, ship repairing, towboat, management, operating, or other services of like character to be supplied vessels operated under such contract, by any affiliate, subsidiary, or holding company connected with, or directly or indirectly controlling or controlled by, such contractor, or by any officer, director, or employee of such contractor, except with the written consent of, and upon such conditions as may from time to time be prescribed by, the Authority.

Mr. WEARIN. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amend section 527 to read as follows:

"(a) No contractor under a contract in force under this title, or no holding company of such contractor, or no officer, director, or executive, or no member of the immediate family of any of such officers, directors, or executives of such contractor or such holding company, shall (1) own any pecuniary interest in any person performing or supplying stevedoring, terminal, ship-repair, ship-chandler, towboat, wharfage, or kindred services in any domestic port or ports; (2) own any pecuniary interest in any person servicing any vessels of the contractor in a foreign port or ports: *Provided*, That with the express approval of the Authority, such contractor, or a wholly owned subsidiary of such contractor, may render services to vessels in a foreign port or ports if the profits, if any, incident thereto are included in the earnings contemplated in section 522 (c) of this act; (3) own, operate, or charter any vessel or vessels engaged in the domestic intercoastal or coastwise service, or own any pecuniary interest in any person that owns, charters, or operates any vessel or vessels in the domestic intercoastal or coastwise service; (4) own, charter, or operate any foreign-flag vessel or vessels, or own any pecuniary interest in any person that owns, charters, or operates any foreign-flag vessel or vessels; (5) perform or supply at any domestic port or ports, stevedoring, towboat, ship-repair, ship-chandler, terminal, or wharfage services for any vessel: *Provided*, That such contractor may itself, with the express approval of the Authority, perform stevedoring services to and/or utilize its own terminal and/or wharfage facilities for its own vessels; or (6) own any pecuniary interest in any person employed as agent or broker for any contractor under a contract in force under this act.

"(b) No contractor under a contract in force under this part shall employ any person as the managing or operating agent of such contractor, or shall charter its vessels for operation by another person, or shall employ chartered vessels under such contract.

"(c) No contractor under a contract in force under this part, or no holding company of such contractor, or no officer, director, or executive, or no member of the immediate family of such officers, directors, or executives of such contractor, or of such holding company, shall own any pecuniary interest in, or shall be owned to any extent by, any person engaged in the building of ships, or any holding or subsidiary company of such person, or any officer, director, or other executive of such person, or of such holding company.

"(d) No contract under the provisions of this act shall be made with any person who shall employ any Member of Congress, either with or without compensation, as an attorney, agent, officer, or director of such person.

"(e) Any violation of any provision of section 527 (a), (b), (c), (d), or (e) shall constitute a breach of contract in force under this title, and upon determining that such a violation has occurred the Authority shall forthwith cancel such contract."

Mr. WEARIN. Mr. Chairman, I am sure that the Members of the House are fully aware of the importance of this legislation, in view of the facts that have been pointed out during the course of the debate, in which we have endeavored to indicate the evils of the subsidy system which has been operated under the 1928 act. I am very certain that every Member of the House realizes the importance of a measure that proposes to set up a system of subsidies involving various forms that have previously been mentioned without limitations. I am sure they appreciate the importance of that when they are attempting to draft legislation with the thought in mind that it is to last for a period of 20 years at least, during all of which time Mr. Roosevelt will not be President, in an effort to build a merchant marine for this country.

In the face of that fact I feel justified in continuing to offer such amendments as appear, in my judgment, necessary to protect the interests of the American public and the taxpayers who are going to pay this bill.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. ANDREWS of New York. Is not the gentleman in favor of pretty large appropriations that affect the taxpayers in Iowa?

Mr. WEARIN. I do not know what the gentleman refers to, but I have never voted for any subsidy bills that provide for the payment of excessively large subsidies to any small group seeking a position at the public trough.

I would say it is of vital importance that we give this question full consideration. It goes from the House to the branch of our legislative body at the other end of the Capitol where it will be considered from every angle. For that reason it is necessary for the House to make an adequate record upon this particular question, including such things as the recapture of excessive profits in subsidies, both construction and operation. That is the reason why I have introduced this amendment, which is rather long. I did not expect the Members of the House to follow it, but I would call to your attention that it does a number of things. It eliminates the danger of the holding company and its existence among shipping interests which would be benefiting under this act.

Furthermore, it does something else. It provides that there shall not be transfers to individuals, within a family

circle of ship operators, affiliates, and other associate companies. It prevents transfers of those concerns to the hands of wives and children. As the gentleman from Maine said this morning, the rule of "women and children first" is the law of the sea, but this is the first time I have ever known it to be the law of finance, and public finance at that. For that reason we are particularly anxious, in putting into this bill a safeguard that will absolutely prevent the possibility of such family ownership; not to include permissive authority to the maritime authority to grant such conditions and permit them to exist, but to prohibit them, as a result of the investigations that have been carried on by this Congress recently, and which have been brought to the attention of the public and which have resulted in some of the outstanding new-deal legislation that has been proposed or enacted.

For that reason I feel it is of importance that we adopt the pending amendment, which will remove any possibility of any members of a family operating subsidiaries to benefit under this subsidy bill. At the same time it will terminate any possibility of the existence of such subsidiaries.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. WEARIN] has expired.

Mr. BLAND. Mr. Chairman, we have covered practically everything in the amendment in less language. The authority is granted full power. It can only permit these affiliates when it is necessary. The authority may go into their books, subpena them, and punish them if necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The amendment was rejected.

The Clerk read as follows:

SEC. 532. (a) Every contract executed under this title shall contain provisions requiring:

(1) Each party to the contract (except the Authority) and every affiliate, subsidiary, or holding company connected with, or directly or indirectly controlling or controlled by, such party, to keep its books, records, and accounts relating to such contract, and to the maintenance and operation of the vessels, services, routes, and lines covered by the contract, in such form and under such regulations as may be prescribed by the Authority: *Provided*, That the provisions of this paragraph shall not require the duplication of books, records, and accounts required to be kept in some other form by the Interstate Commerce Commission; and

(2) Each party to the contract (except the Authority) and every affiliate, subsidiary, or holding company connected with, or directly or indirectly controlling or controlled by, such party, to file, upon notice from the Authority, or any agency of the Government designated by it, balance sheets, profit-and-loss and surplus statements, and such other statements of financial operations, special reports, memoranda of any facts and transactions, appertaining to the performance of, or transactions or operations under, such contract directly or indirectly affecting the financial results of such operation, and including all transactions or operations appertaining or subsidiary thereto, insurance, stevedoring, handling of cargo, wharfage, terminal charges, and any other matters which in the opinion of the Authority affect the financial results in the performance of, or transactions or operations under, such contract.

(b) The Authority, or any agency of the Government designated by it, is authorized to examine and audit the books, records, and accounts referred to in this section, whenever it may deem it advisable, or whenever requested by either House of Congress. The parties to the contracts referred to in this section (except the Authority), and every affiliate, subsidiary, and holding company connected with, or directly or indirectly controlling or controlled by, such party shall keep their books, records, and accounts referred to in this section open to inspection and audit at all times by accredited representatives of the Authority. The provisions of this subsection shall apply to the builder of any ship in the construction of which aid is received under this title.

(c) The Authority may employ special agents or examiners who shall have authority to examine all accounts, records, and memoranda kept or required to be kept hereunder. The Authority may prescribe the length of time such accounts, records, or memoranda shall be preserved.

Mr. CITRON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CITRON: On page 35, at the end of line 22, insert a new paragraph as follows:

"(e) That the prevailing rate of wages shall be paid to employees engaged in any construction work under the provisions of this Act."

Mr. CITRON. Mr. Chairman, this bill assures builders and contractors a fair opportunity of reasonable profits. My amendment provides that labor should get a fair return for its hire. This amendment provides that the prevailing rate of wages should govern in all construction work. It will save a great deal of trouble to the country if we put it into effect, because it will help solve many arguments between the laboring people and the employers. If we are loaning money to contractors and builders of these ships and they can get all they need from the Government, I do not see why we should not have a clause in this bill providing that every contract should contain a clause that the prevailing rate of wages should be paid. If we let the builders have money at a rate of interest which is fair to them and the Government and beneficial to the merchant marine, it is not to the best interest of all concerned to say that in the matter of wages we are simply relying on the good faith of the builder. If we insert this amendment in the bill, we are adding a necessary requisite. It will create harmony and friendship between employer and employee. It is applying a fair rule to the worker, guaranteeing to him the prevailing rate. No one can object to this, especially as it avoids any future argument about wages between the laboring interests and the builders and contractors of these ships. [Applause.]

Mr. CONNERY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think this is a very good and necessary amendment offered by the gentleman from Connecticut [Mr. CITRON]. It simply provides that the prevailing rate of wage will be paid on ship construction. We have that in the Davis-Bacon bill with respect to public buildings. This is simply putting it into the provisions of the contracts for shipbuilding. If we are going to give these shipbuilders a subsidy, for instance, if a ship costs a million to build in this country, and $600,000 abroad, we are going to give them a $400,000 subsidy to offset European shipbuilding, I think we ought to take care of our American workers who are going to build those ships. I think this amendment is very clear to the Members of the House. This discussion on prevailing rate of wage has been held many times in the past, particularly when Mr. BACON, of New York, offered the original Davis-Bacon bill. The gentleman from Connecticut [Mr. CITRON], by offering this amendment, is but continuing the friendly attitude toward labor which he has continually shown before and since becoming a Member of this House. I hope this amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. CITRON].

The amendment was agreed to.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend part 3 of title V by adding a new section at line 16 on page 36:

"SEC. 529. The cumulative net profits in excess of 6 percent per annum of any ship operator receiving financial aid under this act (dating from the first subsidy contract), shall be subject to recapture by the Government at the end of each calendar year to the extent of 75 percent of such excess. In calculating net worth for the purposes of this act, intangible assets and appreciation of assets shall be excluded, provided that the Authority shall prescribe the accounting formula for determining net profit contemplated in this section."

Mr. BLAND. Mr. Chairman, I make the point of order against the amendment that the Clerk has read only to the end of section 533, and the amendment is not in order.

The CHAIRMAN. The section of the bill to which the amendment is offered has not been reached.

The point of order is sustained.

Mr. MORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORAN: Amend section 532, (a) (1), page 34, lines 5, 6, 7, by eliminating the words "Relating to such contract, and to the maintenance and operation of the vessels, services, routes, and lines covered by the contract."

Mr. MORAN. Mr. Chairman, we have heard a great deal about the need of examining the books of affiliated, holding, and subordinate companies. That is all this amendment seeks to accomplish. It eliminates a limiting phrase, which phrase would allow the authority to look at books relating

only to such contracts whereas it might be very advantageous to the Government to be able to get more information from some of the various subordinate and holding companies.

The language stricken by this amendment is technical and has been submitted to accounting experts who advise me that it is so limited that the authority might as well make no attempt to look at books of subsidity or holding companies if that phrase is left in the bill.

Mr. BLAND. Mr. Chairman, there should be no justification for a general fishing expedition. Under the provisions of the bill as drawn any germane books may be examined by the authority.

I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The question was taken; and on a division (demanded by Mr. MORAN) there were—ayes 14, noes 46.

So the amendment was rejected.

Mr. MICHENER. Mr. Chairman, I object to the vote on the ground there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirteen Members are present, a quorum.

Mr. MORAN. Mr. Chairman, I send an amendment to the desk.

The Clerk read as follows:

Amendment by Mr. MORAN: Amend section 532 (a) (2), page 34, lines 21–25, and page 35, lines 1–3, by eliminating the words "appertaining to the performance of, or transactions or operations under, such contract directly or indirectly affecting the financial results of such operation, and including all transactions or operations appertaining or subsidiary thereto, insurance, stevedoring, handling of cargo, wharfage, terminal charges, and other matters which in the opinion of the Authority affect the financial results in the performance of, or transactions or operations under, such contract", and substitute the following words: "in the form and manner required by the Authority."

Mr. MORAN. Mr. Chairman, this amendment has the same effect as the previous amendment, it eliminates a limiting clause with regard to the possibility of examination of books of holding companies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was rejected.

Mr. MORAN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MORAN: Amend section 532 (b), page 35, line 6, by eliminating the words "referred to in this section" and substitute the following words: "of any contractor, affiliate, subsidiary, or holding company connected with or directly or indirectly controlling or controlled by such contractor."

Mr. MORAN. The purpose of this amendment is obvious. In one sentence it provides merely the opportunity of examining the books of various subordinates; it removes a restriction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The question was taken; and on a division (demanded by Mr. MORAN) there were—ayes 35, noes 72.

So the amendment was rejected.

The Clerk read as follows:

SEC. 533. In case of willful failure or refusal on the part of any person to keep such accounts, records, and memoranda in the manner prescribed by the Authority, or to submit such accounts, records, and memoranda to the inspection of the Authority or any of its authorized agents or examiners, such person shall forfeit to the United States not to exceed the sum of $5,000 for each such offense. Such forfeiture shall accrue to the United States and be recovered in a civil action brought by the United States. Any person who shall willfully falsify any account, record, or memoranda, or who shall willfully destroy, mutilate, or alter any such account, record, or memoranda, shall be guilty of a misdemeanor and shall be subject upon conviction thereof to a fine of not more than $5,000, or imprisonment for not more than 3 years, or both such fine and imprisonment. The Supreme Court of the District of Columbia and the several district courts of the United States are hereby authorized to try and punish offenses hereunder within their respective jurisdictions.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend part of title III of title V by adding a new section at line 16 on page 36, as follows.

Mr. WEARIN. Mr. Chairman, I ask unanimous consent that the amendment be not read, but that I may be permitted to discuss the amendment.

Mr. ANDREWS of New York. Mr. Chairman, I object.

The Clerk read as follows:

SEC. 529. The cumulative net profits in excess of 6 percent per annum of any ship operator receiving financial aid under this act (dating from the first subsidy contract) shall be subject to recapture by the Government at the end of each calendar year to the extent of 75 percent of such excess. In calculating net worth, for the purpose of this act, intangible assets and appreciation of assets shall be excluded: *Provided*, That the Authority shall prescribe the accounting formula for determining the net profit contemplated in this section.

Mr. WEARIN. Mr. Chairman, this is a recapture clause and provides for the recapture of operating subsidies in excess of the amount named in the amendment, 6 percent.

It will be recalled that under the Shipping Act of 1928 where a limitation of the subsidies was provided by law, the rates to be charged for carrying the mails were such that excessive profits were realized on the part of certain operators. I call attention to page 202 of the investigations of air and ocean mail contracts by the Senate committee with reference particularly to one ship line, the Lykes people, which, with an initial investment of only $115,439.13 in 1918, was from October 1918 to June 20, 1933, able to realize a profit of $5,891,222.66—this on an initial investment of $115,000.

My purpose in offering this amendment providing for a recapture clause is to prevent such things occurring under the present law. When we pay subsidies to operators the United States Government certainly ought to be entitled to collect profits over and above 6 percent. Why should we permit the realization of more from the public purse? If we fail to include such a provision in the bill, we shall be in the position of subsidizing excessive profits to these concerns, for excessive profits can be realized when no limitation is placed upon earnings. So it is of the utmost importance for the protection of the American public that a recapture clause be included in the bill in connection with operating subsidies.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this bill amply provides for the establishment of a reserve fund for a depreciation and a replacement fund. If we are going to undertake to recapture, as provided in this amendment, we will never get away from the Government contributing to the building of ships. The policy that has been provided by this committee is that before any dividend is paid, before a penny in the way of a dividend to the stockholders is paid, they must provide a replacement fund and a reserve to take care of operation in the lean years. There are other similar provisions in this bill. This amendment would defeat that objective.

I would also call attention to the fact that the very case mentioned covered profits from the years 1918 to 1933, during which time they were operating under the old system of Government ownership. The operators were the agents and they were being paid a fund for operation. Here we are giving a differential covering only difference in cost of operation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. WEARIN].

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 35, noes 46.

So the amendment was rejected.

Mr. TRUAX. Mr. Chairman, I demand tellers.

Tellers were refused.

The Clerk read as follows:

SEC. 534. (a) To safeguard the public interest in the administration of financial aid under this act, every contract executed under part II of this title shall contain provisions requiring:

(1) The contractor to conduct its operations with respect to the vessels, services, routes, and lines covered by its contract in the most economical and efficient manner;

(2) That no officer, director, or employee of any contractor under a contract in force under this title shall receive a salary or allowance (including compensation in any form for personal service) from such contractor which shall result in such person receiving a total compensation from all sources exceeding $25,000 per annum;

(3) That there shall be set aside out of the operating profits of any fiscal year, before charging depreciation on the vessels and before the payment of any dividends or bonuses or the distribution of profits, a depreciation reserve fund to provide for the payment of any mortgage debt and the replacement of vessels, and a reasonable operating reserve fund. Such reserve funds shall be maintained for these purposes with appropriate provisions permitting their proper investment and their use to meet the operating requirements of any subsequent fiscal year. Any withdrawal for such latter purpose shall be replaced in any subsequent year whenever the earnings under the contract make such replacement possible.

(b) No contractor under a contract in force under this title, or any subsidiary, holding, or affiliate company connected with, or directly or indirectly controlling or controlled by, such contractor, or any officer or director of such contractor or company shall own, operate, charter, or act as agent for foreign vessels or foreign interests, unless permission is first obtained from the Authority in accordance with rules and regulations prescribed by the Authority.

Mr. MORAN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MORAN: Amend section 534 (a) and (2) to read as follows: "that no officer, director, or employee of any contractor under a contract in force under this act, shall receive a salary or allowance (including compensation in any form) from such contractor and/or the holding, subsidiary, and affiliated companies of such contractor, which will result in such individual receiving a total compensation for full-time service at a rate in excess of $17,500 per annum: *Provided*, That it shall be the duty of the Authority to exercise continuing supervision to assure that this provision is not violated."

Mr. MORAN. Mr. Chairman, this particular paragraph consisting of one sentence is apparently designed to prevent the payment of salaries in excess of $25,000 per annum. Since it contains only one sentence I call to your attention the exact wording in the present bill, which reads:

That no officer, director, or employee of any contractor under a contract in force under this title shall receive a salary or allowance (including compensation in any form for personal service) from such contractor which shall result in such person receiving a total compensation from all services exceeding $25,000 per annum.

A Pacific coast contractor testified before the Post Office Investigating Committee that he did not receive a single penny as an officer of the direct contractor who was doing business with the Government. This looked like a very unusual situation, and when the matter was investigated further, what was found? We found a man who was not receiving a cent of salary from the direct contractor, but was receiving a salary in excess of $100,000 per year, and had been receiving it for several years, from subsidiary companies. The affiliated companies drew the bulk of their operating revenues from the operating companies. This bill does not prevent that particular thing because the officer might not be obtaining his salary out of this particular contract from this particular contractor. By this paying out of funds to a subsidiary, the taxpayers were paying an exorbitant salary to this man. For the reasons set forth, Mr. Chairman. I advocate the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. MORAN].

The question was taken; and on a division (demanded by Mr. MORAN) there were—ayes 32, noes 42.

So the amendment was rejected.

Mr. BLAND. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAY, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to include in the revision of my remarks the article from which I quoted, together with extracts from the Democratic platform on the subject of subsidies.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should like to inquire whether or not the House is to consider the so-called "share-the-wealth tax program" as it was outlined in the papers this morning. We are asked to meet at 11 o'clock tomorrow to further consider this ship subsidy bill for the millionaire Shipping Trust outfit.

Mr. TAYLOR of Colorado. I may say to the gentleman that we are anxious to finish the consideration of the pending bill, because we are going to take up the holding-company bill, and the rule for the consideration of that bill provides for 8 hours of debate. There are a number of pages in the bill and we are hopeful we can dispose of it this week.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COLMER. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the reading of the Journal and the disposition of business on the Speaker's table, I may proceed for 10 minutes.

Mr. MARTIN of Massachusetts. I object, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. SMITH of Connecticut (at the request of Mr. SHANLEY) for 4 days, on account of illness.

To Mr. WOLVERTON (at the request of Mr. BACHARACH), on account of serious illness in his family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 805. An act for the relief of Luther M. Turpin and Amanda Turpin;

H. R. 1315. An act for the relief of Thomas J. Gould;

H. R. 1703. An act for the relief of Cletus F. Hoban;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 2987. An act for the relief of E. W. Tarrence;

H. R. 4817. An act for the relief of Matthew E. Hanna;

H. R. 6504. An act to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor"; and

H. R. 6630. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

The SPEAKER announced his signature to an enrolled bill and an enrolled joint resolution of the Senate of the following titles:

S. 2276. An act to authorize participation by the United States in the Interparliamentary Union; and

S. J. Res. 131. Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, bills of the House of the following titles:

H. R. 7205. An act to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons; and

H. R. 7652. An act to authorize the furnishing of steam from the central heating plant to the Federal Reserve Board, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, Wednesday, June 26, 1935, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, June 26, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 6278) pertaining to postal rates, Queens County, N. Y.

EXECUTIVE COMMUNICATIONS, ETC.

395. Under clause 2 of rule XXIV, a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to Public Resolution No. 18, Seventy-third Congress (S. J. Res. 74), three copies of the domestic and residential electric energy rates in the State of Wyoming on January 1, 1935, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8599. A bill to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a Marine Casualty Investigation Board and increase efficiency in administration of the steamboat inspection laws, and for other purposes; without amendment (Rept. No. 1319). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8598. A bill to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States; without amendment (Rept. No. 1320). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 2001. An act to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906; without amendment (Rept. No. 1321). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8597. A bill to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes; without amendment (Rept. No. 1322). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. S. 1404. An act to promote the efficiency of national defense; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. S. 2917. An act authorizing an appropriation to the American Legion for its use in effecting a settlement of the remainder due on, and the reorganization of, Pershing Hall, a memorial already erected in Paris, France, to the Commander in Chief, officers, and men of the Expeditionary Forces; with amendment (Rept. No. 1324). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8629. A bill authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*; without amendment (Rept. No. 1325). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 276. Resolution for the consideration of S. 2796; without amendment (Rept. No. 1327). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 8628. A bill to provide for the relief of public-school districts and other public-school authorities, and for other purposes; without amendment (Rept. No. 1328). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8127. A bill for the relief of Blanche I. Gray; without amendment (Rept. No. 1326). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8664. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 1329). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. S. 208. An act for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn.; without amendment (Rept. No. 1330). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 280. An act for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer; without amendment (Rept. No. 1331). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 283. An act for the relief of Beatrice I. Manges; without amendment (Rept. No. 1332). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 373. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson; without amendment (Rept. No. 1333). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 490. An act for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd; without amendment (Rept. No. 1334). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 540. An act for the relief of Fred Luscher; without amendment (Rept. No. 1335). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 658. An act for the relief of K. W. Boring; without amendment (Rept. No. 1336). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 895. An act to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass.; with amendment (Rept. No. 1337). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. S. 985. An act for the relief of Hudson Bros., of Norfolk, Va.; with amendments (Rept. No. 1338). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1045. An act for the relief of A. Cyril Crilley; without amendment (Rept. No. 1339). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1046. An act for the relief of E. Jeanmonod; with amendment (Rept. No. 1340). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1070. An act for the relief of William A. Thompson; without amendment (Rept. No. 1341). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1214. An act for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston; with amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1326. An act for the relief of Robert A. Dunham; without amendment (Rept. No. 1343). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 1409. An act for the relief of the General Baking Co.; with amendment (Rept. No. 1344). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. S. 1577. An act for the relief of Skelton Mack McCray; with amendment (Rept. No. 1345). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. S. 1640. An act for the relief of Dan Meehan; with amendment (Rept. No. 1346). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. S. 1696. An act for the relief of Mary Sky Necklace; with amendment (Rept. No. 1347). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1960. An act for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased; without amendment (Rept. No. 1348). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 2076. An act for the relief of Domenico Politano; without amendment (Rept. No. 1349). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 2119. An act for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased; without amendment (Rept. No. 1350). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2168. An act for the relief of the Bell Telephone Co. of Pennsylvania; with amendment (Rept. No. 1351). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2225. An act authorizing adjustment of the claim of the Western Union Telegraph Co.; without amendment (Rept. No. 1352). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2312. An act for the relief of the Western Construction Co.; without amendment (Rept. No. 1353). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 2373. An act for the relief of Harry Jarrette; without amendment (Rept. No. 1354). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 2374. An act for the relief of Elliott H. Tasso and Emma Tasso; with amendment (Rept. No. 1355). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 2393. An act for the relief of the widow of Ray Sutton; without amendment (Rept. No. 1356). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 2533. An act for the relief of the rightful heirs of Tiwastewin or Anna; without amendment (Rept. No. 1357). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 2635. An act authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., and others; with amendment (Rept. No. 1358). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 2993. An act for the relief of Carrie Price Roberts; with amendment (Rept. No. 1359). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6392) granting a pension to Clara M. Curtis, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROSSER of Ohio: A bill (H. R. 8651) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 8652) to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes; to the Committee on Ways and Means.

By Mr. DEROUEN: A bill (H. R. 8653) to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration Facility, Alexandria, La.; to the Committee on Public Buildings and Grounds.

By Mr. CULLEN: A bill (H. R. 8654) to provide for the deductibility of dividends paid or accrued by banking associations and insurance companies on preferred stock owned by certain governmental agencies; to the Committee on Ways and Means.

By Mr. GEHRMANN: A bill (H. R. 8655) providing for the transfer of certain Government property in Wisconsin to the State; to the Committee on Indian Affairs.

By Mr. BOEHNE: A bill (H. R. 8656) to restore compensation benefits in case of veterans who served in Russia; to the Committee on Expenditures in the Executive Departments.

By Mr. CELLER: A bill (H. R. 8657) to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York; to the Committee on the Judiciary.

By Mr. CANNON of Wisconsin: A bill (H. R. 8658) providing that any citizen of the United States who shall marry an alien shall pay a capital tax on his fortune; to the Committee on Ways and Means.

By Mr. McGRATH: A bill (H. R. 8659) to promote shipbuilding to aid the national defense, and for other purposes; to the Committee on Naval Affairs.

By Mr. MILLARD: A bill (H. R. 8660) to authorize the issuance of reentry permits in certain cases of aliens ineligible to citizenship, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. O'NEAL: A bill (H. R. 8661) supplementing the act of Congress approved February 25, 1928, entitled "An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city; to the Committee on Interstate and Foreign Commerce.

By Mrs. NORTON: A bill (H. R. 8662) to provide for the study and report on the need of a subway system for transportation in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RANDOLPH: A bill (H. R. 8663) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia, and for wharfage facilities in connection therewith; to the Committee on the District of Columbia.

By Mr. DISNEY: A bill (H. R. 8665) for the construction of Indian hospitals in Oklahoma; to the Committee on Indian Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 8666) to establish the United States Housing Authority, to provide modern and adequate large-scale housing for families of low income under a long-range program, to provide employment in the building and allied trades, to stimulate and stabilize the building industry, to increase consuming power, to further national recovery, and to promote the public health, safety,

morals, and welfare; to the Committee on Banking and Currency.

By Mr. SCOTT: A bill (H. R. 8667) to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes; to the Committee on Public Buildings and Grounds.

Mr. WILCOX: A bill (H. R. 8668) providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.; to the Committee on the Judiciary.

By Mr. CITRON: Resolution (H. Res. 277) directing the Secretary of State to furnish the House of Representatives with certain information; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McREYNOLDS: A bill (H. R. 8664) for the relief of sundry claimants, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ANDRESEN: A bill (H. R. 8669) for the relief of Frank W. Farrington; to the Committee on Claims.

By Mr. ASHBROOK: A bill (H. R. 8670) granting a pension to Lenora B. Easterday; to the Committee on Invalid Pensions.

By Mr. BLAND: A bill (H. R. 8671) for the reimbursement of R. H. Quynn, lieutenant, United States Navy, for loss of property by fire at the naval operating base, Hampton Roads, Va.; to the Committee on Claims.

By Mr. GOLDSBOROUGH: A bill (H. R. 8672) for the relief of William Zeiss; to the Committee on War Claims.

By Mr. SANDERS of Texas: A bill (H. R. 8673) for the relief of Hiram G. Hines; to the Committee on Claims.

By Mr. PLUMLEY: A bill (H. R. 8674) for the relief of John W. Sargent and John L. Sargent; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 8675) for the relief of Emily Coffey; to the Committee on Claims.

By Mr. TURPIN: A bill (H. R. 8676) granting a pension to Minnie Loch Durshimer; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8986. By Mr. ANDREW of Massachusetts: Petition of the Massachusetts State Council, Knights of Columbus, urging an official investigation of religious conditions in Mexico; to the Committee on Foreign Affairs.

8987. By Mr. BLAND: Petition of 32 citizens of Northampton County, Va., requesting Congress to allow the Federal gasoline tax to expire on June 30, 1935, never to be levied again; to the Committee on Ways and Means.

8988. By Mr. BUCKLER of Minnesota: Petition of Ely R. Schenek, president, and Howard Devine, secretary, of the Wilkin County Farm Bureau, of Breckenridge, Wilkin County, Minn., praying for the passage of House bill 3263, the so-called "Pettengill bill"; to the Committee on Interstate and Foreign Commerce.

8989. By Mr. GOODWIN: Petition of J. E. Maynard and other residents of Roscoe, N. Y., protesting against the passage of the Wheeler-Rayburn holding company bill; to the Committee on Interstate and Foreign Commerce.

8990. By Mr. PFEIFER: Petition of the Federation of Architects, Engineers, Chemists, and Technicians, New York Chapter, New York City, urging the passage of House bills 8458 and 8459; to the Committee on the Civil Service.

8991. By Mr. PLUMLEY: Petition protesting against the proposed one-half cent tax on fuel oil, and petitioning to prevent this law from being passed; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 26, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 25, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2276. An act to authorize participation by the United States in the Interparliamentary Union;

H. R. 805. An act for the relief of Luther M. Turpin and Amanda Turpin;

H. R. 1315. An act for the relief of Thomas J. Gould;

H. R. 1703. An act for the relief of Cletus F. Hoban;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 2987. An act for the relief of E. W. Tarrence;

H. R. 4817. An act for the relief of Matthew E. Hanna;

H. R. 6504. An act to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor";

H. R. 6630. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.; and

S. J. Res. 131. Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes.

LOANS AND RELIEF IN STRICKEN AGRICULTURAL AREAS (S. DOC. NO. 91)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision of legislation affecting an existing appropriation of the Department of Agriculture, namely, "Loans and relief in stricken agricultural areas, 1934 and 1935", which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

BUILDINGS FOR UNITED STATES REPRESENTATIVE IN THE PHILIPPINES (S. DOC. NO. 94)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the fiscal year 1935, to remain available until expended, for the War Department, Bureau of Insular Affairs, for the construction of buildings for the United States representative in the Philippine Islands, amounting to $750,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—BUREAU OF BIOLOGICAL SURVEY AND BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE (S. DOC. NO. 93)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, two supplemental estimates of appropriations for the fiscal year 1936, for the Department of Agriculture, namely, "Bureau of Biological Survey: Maintenance of mammal and bird reservations, $35,000; Bureau of Entomology and Plant Quarantine; West Indian